



Economic Strategy Update 2015



EXECUTIVE SUMMARY

The following is an update to the San Luis Obispo Economic Strategy endorsed by the County Board of Supervisors in 2010, and that has been in the implementation phase for the past five years. The intention is for the Economic Strategy to be an ongoing partnership between the County of San Luis Obispo, the San Luis Obispo Economic Vitality Corporation (EVC), and the business community. Refinements to the strategy will be conducted on an annual basis and the strategy will be formally updated every five years.

The Economic Strategy project was the first-ever public/private partnership within San Luis Obispo to perform a highly successful in-depth assessment of the economy of the County and develop and implement a strategic plan to enhance the economy of the County. The Economic Strategy project focuses on six primary clusters of industry that historically provided the highest percentage of job and new business growth since 1995 within the County.

A number of key accomplishments have been made through implementation of the Economic Strategy over the past five years.

The San Luis Obispo Economic Vitality Corporation and Economic Strategy Clusters envision San Luis Obispo continuing growth in a number of key industry sectors; expanding its pool of talented professionals through higher education, and retention and recruitment; expansion of workforce housing; establishment of key technological and public works infrastructure; while conserving and preserving the County's environmental and cultural heritage.

An underlying theme of the Economic Strategy is to advocate for and create economic development within the County to enhance the economic vitality of the County. This will facilitate creation of head-of-household jobs, enable expansion of businesses, enable attraction and retention of professionals, and allow for funding of needed infrastructure and other critical public services.

Implementation oversight and support will be carried out through the EVC, Economic Strategy Steering Committee, Clusters, and County of San Luis Obispo. An economic dashboard will be developed and implemented so that the effectiveness of the Economic Strategy in enhancing the economy of the County can be measured.

Through the Economic Strategy Steering Committee and clusters, a greater emphasis on education and outreach, both through public and private industry communication channels, will be targeted to garner further support of the cluster initiatives.



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SECTION 1.0 INTRODUCTION

The following is an update to the San Luis Obispo Economic Strategy developed in 2010 (See Appendix A) that has been in the implementation phase for the past five years. This update includes background information, overview of the vision and mission of the clusters, key accomplishments to date, a summary of the economic status of the County of San Luis Obispo, a vision for economic development within the County for the next five years, an overview of key economic initiatives to be addressed during the period 2015 through 2020, and an overview of the management and governance of the Economic Strategy for the period 2015 through 2020.

Section 1.1 Background

The Economic Strategy project was the first-ever public/private partnership to perform a highly successful in-depth assessment of the economy of the County and develop and implement a strategic plan to enhance the economy of the County. In partnership with the County of San Luis Obispo (County) and the Economic Vitality Corporation (EVC), industry leaders created cross-cluster action plans, including specific strategies and measurable outcomes. In 2010, the Clusters of Opportunity Economic Strategy was released and subsequently endorsed by the County Board of Supervisors.

The Economic Strategy project focuses on six primary clusters of industry (the Energy cluster branched off from Building Design & Construction early in the implementation phase); those which were identified through multiple economic analysis studies, to historically provide the highest percentage of job and new business growth since 1995. The growth of these clusters for the period 2008-2011 is shown in the figure below:

The six clusters include:

1. **The Building Design and Construction Cluster** comprised of architectural & engineering services, building construction, building equipment and finishing, foundation, structure, & building exterior contractors, heavy & civil engineering construction, land subdivision, utility system construction and roadway & bridge construction.
2. **The Energy Cluster** made up of generation, recovery transmission, distribution, and technical services, heating and air conditioning, and any other existing or emerging sectors involved in the energy industry.
3. **The Health Services Cluster** including home health care services, elderly community care facilities, medical & diagnostic laboratories, outpatient care centers, acute care hospitals, doctor's offices, dentist's offices, ambulatory services, and biosciences and medical products.
4. **The Knowledge & Innovation Services Cluster** made up of a range of businesses including computer systems design, software publishers, colleges, universities & professional schools, advertising services, and printing services, as well as general professional, scientific, management and technical services.
5. **The Specialized Manufacturing Cluster** containing aerospace product manufacturing, basic & agricultural chemical manufacturing, electrical equipment manufacturing, medical equipment & supply manufacturing, pharmaceutical manufacturing, transportation & navigation equipment manufacturing, agricultural & construction machinery manufacturing, plastics & rubber manufacturing, motor vehicle & parts manufacturing, metalwork manufacturing, and cement & concrete manufacturing.
6. **The Uniquely SLO County Cluster** including aquaculture, floriculture production, vegetable farming, cattle ranching, fruit & nut farming, olives and olive oil, walnut oil, animal processing, and wine and beer production. As well as recreation and accommodation such higher-value food and drink establishments, traveler accommodations, and amusement & recreation industries.

In January 2011, the EVC dedicated staff to manage the project and convened the cluster members to initiate project implementation. The EVC, the County of San Luis Obispo, and the Clusters have been actively working to implement the Economic Strategy.

Section 1.2 Economic Situation of County

Population Growth

The San Luis Obispo region is home to an estimated 272,357 people as of January 2014 (SLOCOG Draft 2014 RTP). By 2035, the region will see an increase of nearly 46,000 people and another 21,000 homes. The population of San Luis Obispo County grew from 217,162 in 1990 to 269,637 in 2010 – an increase of 52,475 or 24.2% over the last twenty years. Growth has since slowed dramatically and has averaged just over 600 persons over the last two years.

The region's population forecasts continue to decline from prior projections due to recessionary issues, resource constraints (primarily water), and a high cost of housing.

Recent forecasts project the region will add another 46,000 residents by 2035. It is projected that by 2035, the population of the San Luis Obispo region will total over 315,000 people, a 17 percent increase, or about half of the prior rate of growth.

While the rate of growth is slowing, the County's population is also aging. San Luis Obispo County is a wonderful place to live – the population is growing older as more people move and retire in region. This is exacerbated by the high cost of housing that drives younger people away to more affordable housing. In 1990 the median age was 26, by 2010 it was 37 and by 2035 it is projected to be almost 42. Today people who are 65 and over represent 16 percent of the region's total population, but by 2035 the number of seniors will increase to 25 percent.

Job Growth

Employment growth in the region continues to steadily grow. Between 1990 and 2010, the number of jobs in SLO County grew from 75,100 to over 92,000, an increase of 17,000. It is projected that employment will increase by another 20,000 jobs – to over 112,000 over the next 20 years.

Cost of Living

Presently, there continues to be a wide disparity between household income and the cost of living within the County. Wages in San Luis Obispo typically pay less than the statewide averages for most occupations, while the median home prices in 2012 were 50 percent above the national average. This presents challenges for locals business in recruiting and retaining the skilled workforce that they need to thrive. In addition, demographic data indicate approximately 30 percent of the population is over the age of 65.

Housing

The high cost of housing relative to local wage levels is also a significant barrier to many residents. Most new housing in the region is priced far beyond the average worker's budget. College graduates and young families are often forced to look for employment and more affordable housing in other counties.

Housing growth is expected to decrease from prior levels. In 2010 the region had 117,315 housing units. In 1990 it had 80,281 housing units, an increase of 26 percent of the housing stock in the last two decades. By 2035 it is projected that there will be another 18,000 units totaling almost 139,000, an increase of 18%. These projections may be optimistic given the recent water constraints in many communities.

While both jobs and population will increase throughout the region, some areas of the County will grow faster than others. The rate of population growth in North County continues to be the highest in the region at almost one percent per year. Growth rates in the South County and the Central County is about half that rate. Growth in the North Coast is anticipated to be nominal due to resource constraints.

A significant change over prior growth scenarios is a higher number of housing units being planned and projected in San Luis Obispo. This increase in housing is being planned in consideration of a concurrent increase in projected employment growth.

Section 1.3 Accomplishments

A number of key accomplishments have been made through implementation of the Economic Strategy.

ECONOMIC STRATEGY

- Recognized with an Award of Excellence by the California Association For Local Economic Development (CALED)
- Participated in the update of the Economic Element of the General Plan
- Helped create the Business Assistance Team within the County for project oversight and advocacy.
- County Economic Analysis Program
 - Developed and obtained approval to move forward with an Economic Analysis Program Pilot Project to evaluate the economic impacts of discretionary projects
 - Initiated the Economic Analysis Program Pilot Project for four land use projects
 - Completed Phase I Analysis
 - Presented Phase I results to the Board of Supervisors
 - Presented results of Phase II of the Economic Analysis Program to the Board of Supervisors who directed staff to incorporate information into discretionary permit project applications (voluntary)
 - Partnered with County to successfully complete Request for Qualifications (RFQ) process to identify qualified consultant for implementation of the countywide Economic Analysis Program
 - Partnered with the City of Pismo Beach to complete the Downtown Plan Land Use Economic Analysis project
- Helped develop and hosted the first-ever Local Employers' Job Fairs at Cal Poly and Cuesta College

- Partner in hosting the 3rd and 4th Annual Tech Pitch Event (October 2013 and October 2014)
- Restructured Steering Committee to promote cross-cluster collaboration
- Completed Strategic Planning process to enhance EVC Board support of Cluster initiatives
- Updated Advocacy Policies to better direct Cluster support of economic issues
- California Stewardship Network (CSN)
 - Represented the region at the California Economic Summit and Capitol Day events (August 2014)
 - Participated in statewide Action Teams in support of California Economic Summit initiatives
 - Housing
 - Infrastructure
 - Working Landscapes
 - Participated in CSN Summer Exchange Event (June 2014)
 - Hosted CSN Winter Exchange Event featuring the SLO Hot House Innovation and Entrepreneurship model (March 2015)
 - Convened a Regional Forums to obtain input from industry leaders on economic priorities (2013 , 2014)
 - Participated in California Economic Summit and resulting statewide Action Teams (2013, 2014)

BUILDING DESIGN & CONSTRUCTION

- Supported the County Process Improvement Committee in achieving meaningful changes to County Land Use and Building permitting policies and procedures.
- Workforce Housing
 - Workforce Housing Survey
 - Administrated a Countywide Workforce Housing Survey
 - Published Workforce Housing Survey Outcomes report and conducted outreach to engage community-at-large; Presented results to the Board of Supervisors
 - Ad Hoc Workforce Housing Committee convened to evaluate potential solutions to facilitate workforce housing projects
 - Partnered with County to evaluate housing policy and develop a Draft Workforce Housing Ordinance and develop Design Guidelines to better define Workforce Housing Ordinance design standards
 - Partner in hosting first-ever Workforce Housing Summit (May 2014)
 - Partner in hosting first-ever Employer/Developer Workshop (February 2015)
 - Collaborated with County and Cities to evaluate opportunities to incorporate supporting housing policy into General Plan Housing Element and Land Use and Circulation updates
 - Participated in San Luis Obispo County Housing Trust Fund Strategic Planning session (March 2015)

- Countywide community outreach on the importance of workforce housing and infrastructure to our economy and quality of life (Trade Organizations, Chambers of Commerce, Service Organizations, County/Cities etc.)
- Assisted the County in peer review of the Land Use Economic Study
- Achieved additional outreach and a more in-depth review of the Air Pollution Control District's proposed CEQA Greenhouse Gas Emissions Thresholds of Significance
- Stakeholder input and collaboration related to the County's implementation of the adopted Strategic Growth Principles
- Evaluated opportunities with the County to achieve broader stakeholder input on Infrastructure finance and planning countywide
- Initiated cross-cluster action team to evaluate site expansion needs for the Knowledge & Innovation and Specialized Manufacturing clusters and explore collaborative land use planning opportunities.
- Infrastructure Committee
 - Convened the Integrated Infrastructure Committee and began work sessions with County staff to share internal policies and input opportunities; Committee provided formal comments to Capital Improvement Plan and Traffic Circulation Studies
 - Recognized by the California Association for Local Economic Development with an Award of Merit (April 2014)
 - Completed Participation Guidelines and Economic Weighting Criteria to facilitate industry input into countywide infrastructure planning, finance and prioritization decisions
 - Developed communication plan for advocacy of priority infrastructure projects
 - Provided industry input to County's Five Year Capital Improvement Plan and Resource Management System biennial update

ENERGY

- Advocacy and approval of two of the world's largest solar energy projects.
- Community and business outreach to promote:
 - California First – financing for energy and water conservation improvements on commercial properties
 - CHF – financing for energy efficiency improvements on residential properties
 - On-Bill Financing – financing through Pacific Gas & Electric Company for improvements on residential properties – 0% interest repaid through estimated savings on energy bill
 - Empower – financing through Coast Hills Federal Credit Union for energy efficiency improvements on residential properties
 - Energy Upgrade California – rebate program for energy efficiency improvement and renewable energy installation on residential properties

- Convened a meeting of staff from the County of San Luis Obispo and the Cities, along with industry stakeholders to present the Renewable Energy Streamlining Program and evaluate permit streamlining opportunities for roof top solar installations
- Implemented two successful Solarize SLO campaigns to increase awareness and facilitate residential solar installations
- Direct business outreach to facilitate no cost energy assessments (120 businesses completed audits)
- Advocacy
 - Countywide Solar Day (June 2014)
 - Outreach to trade organizations and design professionals on Title 24 Energy Code Training opportunities (November 2014)
 - Renewable Energy Streamlining Program (December- April 2015)

HEALTH SERVICES

- Initiated informational workshops about Health Information Technology for the Health and Wellness and Knowledge and Innovation clusters.
- Convened Health Care stakeholders to evaluate economic support opportunities
- Identified a need for a centralized location for knowledge exchange on key health care issues

KNOWLEDGE & INNOVATION

- 805connect
 - Developed 805connect concept for online business directory
 - Engaged IntroNetworks in development of platform and functionality
 - Expanded program to tri-county partners through a Memorandum of Understanding
 - Successfully launched program in San Luis Obispo, Santa Barbara and Ventura Counties (April 2014)
- Broadband Consortium
 - Successful award of tri-county CASF Grant to fund tri-county Broadband Consortium of the Pacific Coast to enhance broadband capacity in San Luis Obispo, Santa Barbara and Ventura counties
 - Developed conceptual work plan and governance structure
 - Website, GIS Mapping resource and tri-county governance structure developed and implemented
 - Published community and business based broadband surveys
 - Convened broad group of local community stakeholders to obtain input and develop future action plans
 - Gained tri-county consensus and began consultant outreach to pursue broadband assessment to identify needs and opportunities



- Initiated Policy working group to assess opportunities to expedite and facilitate broadband infrastructure projects

SPECIALIZED MANUFACTURING

- Developed and hosted a monthly Business Forum to address topics of impact to cluster companies.
- Compiled a database of Specialized Manufacturing companies within San Luis Obispo County

UNIQUELY SLO

- Initiated the Economic Analysis Program Pilot Project to facilitate stakeholder input on policy adoptions and modifications through cluster review of the County's Draft Events Ordinance
- Successfully advocated for Countywide Tourism Improvement District
- Integrated marketing campaigns for the Annual Savor the Central Coast and International Film Festival Events

SECTION 2.0 ECONOMIC STRATEGY

Section 2.1 Vision and Core Objectives

INTRODUCTION

San Luis Obispo is truly a special place to live, work and play. It is blessed with many attributes that make the region special – protected natural resources, open views, a viable tourist and agricultural economy, and diverse and unique communities. San Luis Obispo County’s economy has been strong, with substantial job growth and establishment of new businesses in several industry sectors throughout the County. Strong businesses and ongoing economic development are a critical factor in ensuring adequate funding for infrastructure and other critical public services.

San Luis Obispo’s unique quality of life, environmental amenities, sense of place, and community values enable businesses to attract and retain the talented, innovative, and creative individuals. There is a diverse political composition that creates a balance of environmental and economic interests over an engaged social fabric of youthful thinking and active citizenry. The County is blessed with a world class university that produces talented and well-educated prospective employees for innovative businesses, and a high quality community college that provides opportunities to transition to university or for those that need more time to enter the workplace.

The Economic Strategy Project has enabled business and government to reflect back on historic drivers of the economy, develop and implement initiatives to remove barriers and enhance economic opportunities, and create public-private partnerships to help businesses germinate and grow, maintain and build infrastructure, and tailor the regulatory environment where needed. The strategy project is a locus for innovative problem solving teams to meet and tackle key economic issues.

The San Luis Obispo Economic Vitality Corporation and Economic Strategy Clusters envision San Luis Obispo continuing growth in a number of key industry sectors; expanding its pool of talented professionals through higher education, and retention and recruitment; expansion of workforce housing; establishment of key technological and public works infrastructure; while conserving and preserving the County’s environmental and cultural heritage.

The Strategy envisions San Luis Obispo County as a world-class leader in energy production per capita through diverse and stable portfolio sources. This includes increasing the promotion and participation of energy efficiency programs and emerging energy sectors. The Uniquely SLO cluster will continue to support a unified tourism destination and innovative farm to table practices. The Strategy envisions a future where housing for all income categories is held as a vital resource for the wellbeing of our families and our economic health. Finally, the Strategy will innovate in technology, communication and specialized manufacturing.

Looking to the future, the Economic Strategy envisions a sustainable economy with a foundation for job creation while investing in the environment, outdoor amenities, and public health. The Economic

Strategy will foster a collaborative economy with sub regional assets: San Luis Obispo, South County, North Coast, and North County that work together on regional infrastructure, transportation, and housing for all economic categories.

An underlying theme of the Economic Strategy is to advocate for and create economic development within the County to enhance the economic vitality of the County. This will facilitate creation of head-of-household jobs, enable expansion of businesses, enable attraction and retention of professionals, and allow for funding of needed infrastructure and other critical public services.

Specific cluster vision statements and core objectives include:

BUILDING DESIGN & CONSTRUCTION

VISION STATEMENT. To create head of household jobs and housing designed to meet the communities' demand for housing of all types and affordability, create a sense of place and demonstrate the efficient use of resources.

CORE OBJECTIVES. To fulfill the vision of improving the jobs and housing in San Luis Obispo County, Building Design & Construction cluster members propose to accomplish the following:

- Create head of household jobs complimented with appropriate housing types
- Promote housing accessible to residents of all income levels, that creates a sense of place and demonstrates the efficient use of resources
- Partner with local government in planning and facilitating infrastructure to support economic development
- Advocate for sufficient funding of needed infrastructure to support housing and economic development
- Support community design and housing with regard to Federal and state codes with incentives, consumer choice and cost benefit analysis driving growth and environmental stewardship
- Establish a process that will lead to a stable and sustainable balance of employment and economic growth

ENERGY

VISION STATEMENT. To maintain San Luis Obispo County as a world-class leader in energy production per capita through a diverse and stable portfolio sources. This includes increasing the promotion and participation of energy efficiency programs and emerging energy sectors through education, analysis, and appropriate energy policy advocacy.

CORE OBJECTIVES

- **Benefits from Renewable Generation Systems:** Create opportunities for residential, commercial, government, and educational institutions to increase use of renewable energy in the County; reduce utility bills for participants; provide opportunities for implementation; and build upon successes of leading firms located in the County and a cadre of employees and

suppliers who can expand service here for local jobs and import revenues through service elsewhere.

- **Energy Efficiency/Demand Reduction:** Create opportunities to conserve and reduce energy, improve health and safety for quality livability; reduce maintenance requirements; increase property values; reduce demand on existing resources; promote development of new technologies; and stimulate on-going business opportunities for retrofits and related services.
- **Emerging Technologies:** Research, discuss and promote new energy based technologies such as electric vehicle charging, energy storage and other opportunities to increase economic benefits to our county and other regions.
- **Energy Policy and Programs:** Create awareness, analysis, and education regarding potential energy related policies, and where appropriate, advocate for the creation of such policy where it does not exist. Support programs related to above core objectives.

HEALTH SERVICES

VISION STATEMENT. To establish San Luis Obispo County as a center for wellness excellence by expanding the range of care facilities, new technologies and services, enabling residents to “age in place” without need to travel outside the area.

CORE OBJECTIVES

- Launch a community education initiative
- Work with the Knowledge & Innovation group to build a Health Information Exchange for SLO County

KNOWLEDGE & INNOVATION

VISION STATEMENT. Help Knowledge & Innovation cluster companies gain a competitive edge by supporting and expanding San Luis Obispo County’s workforce, infrastructure, and entrepreneurial spirit.

CORE OBJECTIVES

- Endorse fiber optic connectivity throughout SLO County
- Complete Broadband identification project and organize cluster companies and community partners to take action
- Foster collaboration with Cal Poly State University and Cuesta College on workforce development for the cluster
- Help to develop community alliances with organizations that foster entrepreneurship and provide K&I startup assistance such as the Hot House and Business Entrepreneurship Center
- Increase regional awareness of the Knowledge and Innovation companies and their hiring needs

SPECIALIZED MANUFACTURING

VISION STATEMENT. To leverage the strength and quality of San Luis Obispo County's Specialty Manufacturing Alliance to grow business, collaborate on projects, share and develop knowledge, and make a positive impact on our region.

CORE OBJECTIVES

- Create a forum for specialized manufacturing companies to network
- Educate the broader community about the benefits and economic value of specialized manufacturing in SLO County
- Improve the linkage with local schools and awareness of SLO County Specialized Manufacturing job opportunities
- Accelerate permitting for new facilities and facilities modifications

UNIQUELY SLO

VISION STATEMENT. To position, brand and promote San Luis Obispo County as a choice destination for regional, national, and global visitors.

CORE OBJECTIVES. San Luis Obispo County's tourism opportunities are economically stable, vibrant and world-class destinations. To fulfill the vision of making San Luis Obispo County a choice destination for regional, national and global visitors, the Uniquely SLO cluster members propose to accomplish the following:

- Create and execute the SLO County tourism brand to reach audiences year-round
- Lead integration of the diverse tourism marketing programs to grow the number of visitors
- Strengthen communication among all tourism constituents
- Position the Visitors and Conference Bureau as an impartial tourism expert to establish, support and grow trustworthy relationships
- Develop a sustainable funding model along with countywide tourism stakeholders to support marketing initiatives

Section 2.2 Cluster Economic Initiatives

BUILDING DESIGN & CONSTRUCTION

WORKFORCE HOUSING

San Luis Obispo County has been identified as one of the least affordable places to live in the nation. While the cost of daily living expenses in San Luis Obispo County is just slightly higher, housing and rent expenses are almost 50 percent higher than the national average. This jobs and housing imbalance has become a critical challenge for employers, hindering their ability to recruit and retain the skilled workforce that they need to remain competitive.

There are many factors impacting the high cost of housing including land costs, permitting and impact fees, extensive environmental analysis and extended public review periods for discretionary entitlements. The Building Design & Construction cluster is working on multiple fronts to build community awareness of the importance of workforce housing to our economy, and working with local government and housing advocates to address opportunities to facilitate construction of new housing. These efforts span a variety of housing types (multi-family, single-family and mixed-use), as well as the full continuum of affordability (very low, low, moderate, above-moderate income). The initiatives focus is on evaluating policy, to provide incentives and flexibility, facilitating the development of smaller housing units that are affordable by design. In addition to working to facilitate private industry participation in the infrastructure planning, prioritization, and financing process for the region, the cluster is also fostering communication between employers, developers and lenders to inform design and better meet market needs.

Workforce Housing Ordinance

- County
 - Support development and adoption of Draft Workforce Housing Ordinance
 - Develop Design Guidelines to support ordinance
 - Industry outreach and advocacy
- City of San Luis Obispo
 - Support development and adoption of Draft Workforce Housing Ordinance
 - Industry outreach and advocacy

Housing Collaborative of the Central Coast (HC³)

- Facilitate regular convening of Partners
 - California Association of Realtors, Central Coast Chapter
 - Central Coast Mortgage Consultants
 - EVC Building Design & Construction Cluster
 - Homebuilders Association, Central Coast Chapter
 - Human Resources Association, Central Coast
 - San Luis Obispo Chamber of Commerce
- Evaluate opportunities to support Workforce Housing policy and/or projects through
 - Knowledge exchange
 - Education and Outreach
 - Housing Advocacy

Workforce Housing Communications

- Develop outreach materials for various stakeholders
 - Elected Officials
 - Local Government
 - Industry
 - Finance
- Develop communication plan to build awareness
- Education and Outreach

Infrastructure Committee

Infrastructure planning, financing, and prioritization have become a very complex issue. With a shortfall of funding at all levels, federal, state and local sources, maintaining safety and capacity adequate to meet existing demand and support new growth has become practically infeasible through historical funding streams. Public-private partnerships, community investment and innovative finance are the way of the future. This requires not only a new skill set for local government staff, but a much higher degree of interaction with private industry.

The Building Design & Construction cluster has engaged with the County to enhance the relationship with private industry, which historically has been burdened with the provision of infrastructure for new development.

Advocacy

- Partner with County to identify priority regional infrastructure projects
- Education and Outreach

Implementation

- Participate in County/City infrastructure planning, finance and prioritization processes
- Evaluate private industry investment opportunities
- Act as a convener to facilitate priority projects
- Develop centralized location for local infrastructure planning information

Energy

The Energy cluster has been instrumental in achieving substantial progress toward their original mission statement, and revised their mission, ***“To sustain San Luis Obispo County as a world-class leader in energy production per capita through a diverse and stable portfolio of sources. This includes increasing the promotion and participation of energy efficiency and emerging energy sectors through education, analysis, and appropriate energy policy advocacy.”***

Due in part to their advocacy efforts, the County now has two of the world’s large utility scale solar farms in operation, in addition to the existing operation of several other generation sources. Two successful “Solarize SLO” group purchasing campaigns have been implemented, resulting in more than 141 residential solar installations and producing over 1,067,514 kilowatt hours of energy annually, an equivalent to taking 38 vehicles off the road for one year. The cluster has also made outreach to businesses on energy efficiency programs, technologies and best practices a priority.

In looking to the future, the cluster is evaluating new energy opportunities such as electric and natural gas vehicles, petroleum and natural gas extraction, biofuels and biomass, wind and wave energy. In gaining a better understanding of the existing energy mix and new opportunities in our region, the cluster will strive to support initiatives which foster the best possible use of our energy resources, for our economy and our environment.

Health Services

The Health care sector is a complex multi-professional, multi-discipline and multi-skill level community industry sector that has been subject to recent legislative changes which have impacted every aspect of the health care delivery system.

The cluster has identified a critical need for an information source which can provide locally relevant direction and knowledge exchange for practitioners, business owners and the community at large in managing these changes. Through regularly scheduled communications, the cluster leadership will address topics pertinent to changes in the industry.

Health Information Resource on Key Issues

- Technology and Innovation
- Electronic Health Records
- Medicare/Medical Reimbursement
- Affordable Care Act
- Need for Physician Extenders (Nurse Practitioners, Physician Assistants, etc.)
- Creative Care and Delivery
- Joint Ventures and Strategic Partnerships

Knowledge & Innovation

The speed at which technology advances and the innovation and application of these new tools require greater accessibility, resulting in a need for expansion of infrastructure, equipment and knowledge bases. Through the tri-county Broadband Consortium of the Pacific Coast, the region hopes to better understand current broadband capacity and future needs to facilitate cost-effective and strategic projects that provide adequate infrastructure and support accessibility and adoption.

Broadband Consortium Pacific Coast

- Continue to expand stakeholder participation
- Facilitate strategic deployment through regional broadband assessment
- Support implementation and finance of key broadband infrastructure priorities

Economic Dashboard

- Countywide economic metrics
- Cluster Specific economic metrics

San Luis Obispo County and the tri-county region boast an economic and industry mix that is diverse, technologically advanced and well concentrated. There is a critical need to provide a centralized source for accessing information about expertise and occupations, and to facilitate collaboration, thereby fostering innovation and entrepreneurship.

The 805connect online business community is intended to act as such an information source to assist in locating products and services, to showcase assets for talent considering relocating to the area, and for business owners in need of specific areas of expertise or supply chain providers.

805connect

- Outreach to increase utilization and benefit

Specialized Manufacturing Council

The manufacturing sector is unique in its capacity to support knowledge exchange without creating competition. The nature of the industry tends to focus on customers outside of the region, or very unique products and services. This opens the door for strategic partnerships, collaborative problem solving and peer-to-peer support opportunities.

The Business Forum is a networking event which provides for site visits and roundtable discussions that are intended to enhance and grow regional manufacturing capacity through education, solutions oriented discussions and industry collaborations.

Business Forum

- Knowledge Exchange events
- Membership Expansion

Uniquely SLO

The Uniquely SLO cluster integrates the food, wine and tourism sectors and is an integral part of the Economic Strategy project. The clusters have identified a number of important initiatives; however, the implementation approach for this cluster differs slightly than that for the other clusters because there are existing organizations that take a lead role in a number of these efforts. For example, Visit SLO County is championing the countywide Tourism Marketing District; there are various organizations which support the interests of local wineries (Paso Robles Wine Country Alliance, SLO Wine County, SLO Vintners, etc.); and several agricultural organizations, such as SLO Grown and the San Luis Obispo Farm Bureau, that support the agricultural industry. Nonetheless, this cluster serves as a locus to make sure the various efforts are being coordinated in an efficient and complimentary manner.

The Economic Strategy project continues to provide a centralized platform from which to launch initiatives that may impact one or more of these sectors. To provide an example, through the Economic Strategy project, an Ad Hoc Task Force was convened to review and provide comment to the County's proposed Events Ordinance, which had the potential to impact the food, wine and tourism sectors. Moreover, the cluster is currently evaluating a potential project related to co-packing services for value-added agriculture, which also has the potential to affect all of the cluster sectors.

Section 2.3 Economic Analysis Program

COUNTY PROGRAM OVERVIEW

In June 2011, the County Board of Supervisors directed staff to include a discussion of economic information in staff reports related to land use polices and discretionary permit applications. In September 2011, County staff began to incorporate a “Business Impact Statement” into all Board of Supervisors’ staff reports relating to policy initiatives or discretionary projects. The Business Impact Statements provide a brief narrative of the high-level economic effects of a land use policy or project proposed for consideration by the Board of Supervisors.

The EVC collaborated with County Planning and Building Department staff to develop a framework for analyzing and presenting economic effects of land use projects proposed for consideration by the Board of Supervisors. This supplemental analysis, which was encouraged by the EVC, provides the Board of Supervisors with information about the potential economic benefits, and provides quantitative economic data about the potential economic effects of a proposed project.

In 2012, the Board of Supervisors’ approved the framework of the Economic Analysis Program and directed staff to conduct a pilot project to test and refine the project. Subsequently, the Board of Supervisors approved and funded such a pilot project in two phases for the purpose of: (1) continuing development of the Economic Analysis Program; (2) testing and evaluating the program through completion of economic analyses of a specified number of discretionary projects; (3) incorporating refinements into the program captured through lessons learned; and (4) reporting findings.

Prospective discretionary permit applicants meeting certain project eligibility requirements could participate in an analysis of their project’s potential economic effects. Eligible projects were defined as a) residential projects that planned for four or more units; and/or b) commercial projects exceeding 10,000 square feet.

For this County pilot project, the EVC utilized EMSI Analyst 3.0TM, which is an online economic modeling software tool. A subscription to this online tool was made available to the EVC by the Workforce Investment Board of San Luis Obispo County.

The project data inputs were developed using information provided by the prospective discretionary permit applicant, based upon a short list of economic indicators (e.g., number of jobs created, annual revenue, increase in assessed property value, construction cost, etc.). The economic modeling outputs provided an estimate of initial, direct, indirect, and induced impacts from sales, earnings, and job growth as result of the project.

STATUS

The County Pilot Project analyzed eight discretionary permit projects, of varying size and type, to establish a uniform method for quantifying the potential economic effects to jobs, earnings, sales and local tax revenues (See Table 1, Economic Analysis Pilot Project).

Table 1 -Economic Analysis Pilot Project

Applicant/Project	Jobs	Sales	Sales Tax	Property Improvement Tax Estimate
PHASE I				
Digital West Data Center Expansion	946	\$74,339,457	\$557,546	\$108,339
Grover Beach Lodge & Conference Center	294	\$33,019,702	\$412,746	\$173,685
Hillside Terrace Multifamily	41	\$3,551,240	\$26,634	\$25,438
Vintage Homes Multifamily	43	\$3,605,908	\$27,044	\$17,831
Subtotal	1,324	\$114,516,307	\$1,023,970	\$325,292
PHASE II				
Marsh Street Commons	128	\$12,256,315	\$153,204	\$51,964
Mindbody Expansion	420	\$63,316,342	\$672,211	\$160,985
Subtotal	548	\$75,572,657	\$825,415	\$212,949
TOTAL	1,872	\$190,088,964	\$1,849,385	\$538,241
Note: Economic effects vary, in some cases occurring on an annual basis, and in others, where the effect is based upon property sales, being a single event.				

On March 11, 2014, the outcomes of the Economic Analysis Program Pilot Project were presented to the County of San Luis Obispo Board of Supervisors who directed staff to issue an request for qualifications (RFQ) to select and develop a list of qualified firms to prepare the economic analysis and directed the EVC to continue encouraging companies to use this program, to their benefit, on a voluntary basis.

Through a collaborative process between the EVC and County staff, a comprehensive list of potential consultants was developed. The RFQ requirements were finalized and published on August 8, 2014. During the month of September 2014, five firms responded with an interest in participating.

On October 21, 2014, a status update and request for additional information was issued to clarify the parameters of a “benchmark” analysis, desired to be an included component of all reports, for the purpose of creating a consistent benchmark comparison, regardless of the depth of economic analysis contracted for by the applicant. It was also reiterated that this high level assessment was desired to

provide a more affordable option that would remain accessible to a broader group of project proponents. Three of the five firms responded with a willingness to completing the benchmark analysis at a price deemed to be affordable.

NEXT STEPS

The next step is to finalize the list of qualified consultants and to make this list available to the business community so that future project proponents can hire a consultant from the list to develop an economic analysis of their project proposed for consideration by the County's Planning Commission and/or Board of Supervisors.

CITY ECONOMIC ANALYSIS PROGRAM

In February 2014, the City of Pismo Beach commissioned the EVC to complete an economic analysis related to its Downtown Plan area.

This pilot project evaluates the potential economic effect of short- and long-term land use planning decisions on fifteen sites within the Pismo Beach Downtown Plan Area. The results will help to enhance the understanding of the benefits of each land use to job creation, earnings, sales, and tax revenues, as well as highlighting potential workforce development opportunities. The land use designations utilized within the economic model are provided below.

Based upon consistency with the highest number of existing businesses in each industry category, the following codes were used for each of the designations:

- **OFFICE** - Offices of Real Estate Brokers and Agents (531210)

This industry comprises establishments primarily engaged in acting as agents and/or brokers in one or more of the following: (1) selling real estate for others; (2) buying real estate for others; and (3) renting real estate for others.

- **RETAIL** - Gifts, Novelty and Souvenir Stores (453220)

This industry comprises establishments primarily engaged in retailing new gifts, novelty merchandise, souvenirs, and more.

- **RESTAURANT** - Full Service Restaurants (722511)

This U.S. industry comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. These establishments may provide this type of food service to patrons in combination with selling alcoholic beverages, providing carry out services, or presenting live nontheatrical entertainment.

- **PARKING LOT** – Parking Lots and Garages (812930)

This industry comprises establishments primarily engaged in providing parking space for motor vehicles, usually on an hourly, daily, or monthly basis and/or valet parking services.

The economic model utilized for this analysis is based upon the Economic Analysis Program developed by the EVC and the County of San Luis Obispo.

This pilot project for the City is based upon industry-standard assumptions, providing a benchmark for a consistent comparison of potential economic impacts of land use decisions using economic modeling software created by Economic Modeling Specialists Inc., called EMSI Analyst 3.0.

NEXT STEPS

The Downtown Plan Land Use Economic Analysis report and supplemental data has been submitted to the City of Pismo Beach for review. The EVC will present the analysis outcomes to the City Council with a request for endorsement. Subsequently, outreach will occur to each of the other six cities within the County to present the beneficial applications of the program. The cities will be encouraged to adopt the program and allow for project proponents with their City to utilize a consultant from the County's list of qualified consultants to prepare economic analyses and then to subsequently incorporate the economic analysis in the staff reports presented to their Planning Commission and/or City Council.

SECTION 3.0 PROGRAM MANAGEMENT

Section 3.1 EVC

The EVC provides oversight of the Economic Strategy project, which is driven by the business community through the support of volunteer civic entrepreneurs within the six cluster industries, and through support from the County. The cluster companies identify industry obstacles and opportunities, and strategies for achieving those priority outcomes. To assist the cluster members' success in their efforts to promote a thriving economy, the EVC provides designated staff responsible for the supporting following activities:

- Administration
 - Meeting coordination
 - Communications
 - Outcomes Reporting
 - Grant Administration
- Project Management
 - Membership coordination
 - Economic Initiative development and facilitation
 - Research and deliverables
- Marketing and Outreach
 - Event Planning
 - Marketing and Outreach
 - Surveys and Newsletters
 - Recognition of participation
- Strategic Partnerships
 - Government
 - Education
 - Non-Profits
 - Community Based Organizations
 - Business Support Organizations
 - Trade Organizations
 - Community-at-large

By providing this continuity in program management, significant progress has been achieved over the past five-year implementation period. The efficacy and structure of this support is evaluated on an annual basis, and continues to evolve to ensure the best possible results.

Section 3.2 Steering Committee

PURPOSE

The Economic Strategy Steering Committee meets on an as needed basis to review progress, evaluate cross-cluster support opportunities, and provide strategic direction to the Economic Strategy project.

The Committee includes the following representatives:

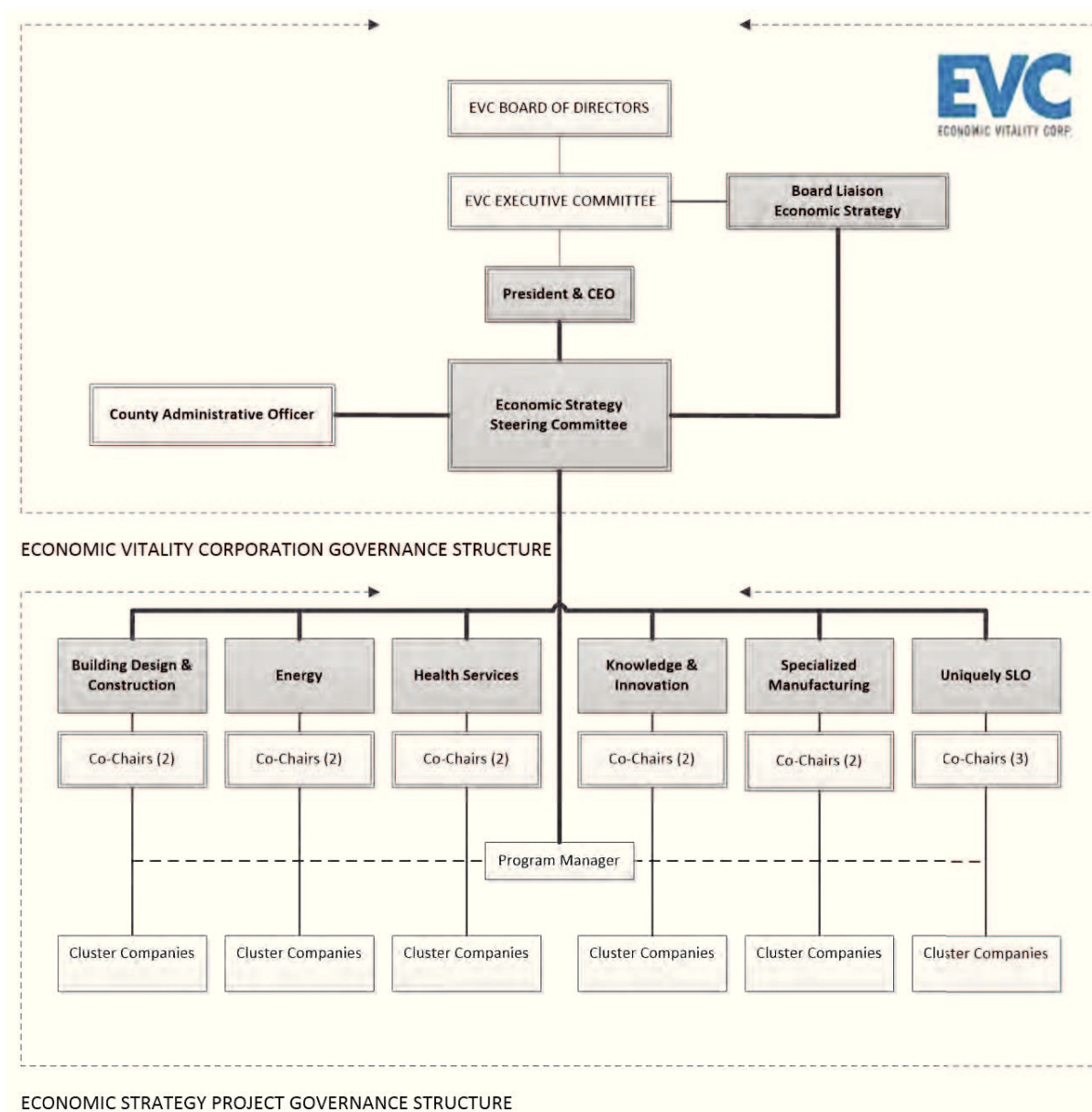
- Economic Strategy Board Liaison Chair
- Co-Chairs of each Cluster
- EVC President & CEO
- EVC Program Manager
- Assistant County Administrative Officer

The Steering Committee membership is uniquely suited in identifying cross-cluster opportunities to support priority economic initiatives. Examples of cross-cluster engagement include the following cluster led initiatives, which impact all sectors of the economy:

- Workforce Housing
- Infrastructure
- Broadband
- Energy

Section 3.3 Clusters

The Co-Chairs of the six clusters of the Economic Strategy operate under the oversight of the EVC Board of Directors per the following governance structure:



The Co-Chairs act in a leadership role, guided by the input of the Cluster members, with the assistance of the EVC Program Manager in implementation of the cluster initiatives. Co-Chair leadership is evaluated on an annual basis, based upon a variety of factors, with input from the Cluster members and EVC Board of Directors. Cluster member eligibility requires only a direct link to the cluster industry (company is identified to be within the industry sector or deemed to be a valuable contributor based upon the consensus of the Co-Chairs and cluster members). Participation is voluntary.



Section 3.4 County of San Luis Obispo

The Economic Strategy Project is a collaborative effort between the EVC, Business Community (Clusters), and the County. The County manages their participation and funding of the program through the County's Administrative Office, with the Assistant County Administrative Officer serving as the primary point-of-contact between the County and EVC staff. Two County Board of Supervisors serve as the elected official liaison representatives on the EVC Board of Directors and the Assistant County Administrative Officers serves as the County's staff liaison representative on the EVC Board of Directors and is a member of the Economic Strategy Steering Committee.

Other County staffs also serve as key members of several of the Clusters:

Building Design & Construction Cluster

- County Administrative Office – Assistant County Administrative Officer
- General Services Department – Director, and/or their delegate
- Planning and Building Department – Director, and/or their delegate
- Planning and Building Department – Housing and Economic Development Division Manager
- Public Works Department – Director, and/or their delegate
- Public Works Department – Principal Engineer

Energy Cluster

- Planning and Building Department – Energy Coordinator, and/or their delegate

Health Services Cluster

- Public Health Department – Health Officer and/or their delegate

Knowledge & Innovation Services Cluster

- Information Technology – Information Technology Director, and/or their delegate

Specialized Manufacturing Cluster

- County Administrative Office – Assistant County Administrative Officer

Uniquely SLO County Cluster

- Agricultural/Weights and Measures – Ag Commissioner and/or their delegate

County Reporting/Updates

EVC staff coordinates with County staff on a regular basis and provide monthly written status reports. In addition, quarterly status reports are provided to the County Board of Supervisors and a bi-annual status report presentation is also provided. The Economic Strategy will be updated every five years, such that the next update following this one would be in 2020.

Section 3.5 Metrics/Measurement

The Economic Strategy project has consistently evolved over the past five years, with refinements to the implementation process being made, including expanding the number of stakeholders, enhancing collaborations and partnerships, and gaining a better understanding of how success is defined, both qualitatively and quantitatively.

The EVC is in the process of developing an economic dashboard, which will provide an illustration through meaningful performance metrics, of challenges, opportunities and economic progress to assess the effectiveness of the Economic Strategy in enhancing the economy of the County. The following indicators are currently being evaluated:

ECONOMIC PERFORMANCE INDICATORS

County Economy

- General
 - Unemployment Rate
 - Job Growth
 - Job Growth by Wage Category
 - Median Household Income
 - # of Head of Household Jobs as defined by: (CCR)
 - 2014/15 Living Wage \$25.23 per hour (CAPSLO)
 - 2014/15 Self Sufficiency Standard \$57,256 (CAPSLO)
 - Gross Regional Product
 - Number of Establishments
 - Taxable Sales
 - Industry Growth
 - Jobs
 - % Job Growth
 - Establishments

Building Design and Construction

- Industry
 - Residential Construction
 - Construction Spending
 - Building Permits Issued
 - Percentage Owner Occupied
 - Percentage Rental Occupied
 - Median Home Price
 - Median Gross Rent \$
 - Commercial
 - Building Permits Issued
 - Rental (\$/SF/Year)
 - Office
 - Industrial
 - Retail

Energy

- Industry
 - Oil Production (bbl)
 - Total Energy Use (MWh)
 - Electricity
 - Residential
 - Commercial
 - Natural Gas
 - Residential
 - Commercial
 - % Increase of Total Generation over previous period
 - Solar
 - Wind
 - Nuclear
 - Natural Gas Other

Health Services

- Industry
 - Number of Licensed Providers (EDD)
 - Physicians
 - Nurses
 - Number of Non-Provider Employees (EDD)
 - Number of Commercially Insured (State)
 - Outmigration of Services (OSPD Data)

Knowledge & Information

- Industry
 - Cal Poly R&D Expenditures
 - Number of Patents
 - Broadband Speed

Specialized Manufacturing

- Industry
 - # of Patents applied for
 - Total Square footage
 - Value of Capital Expenditures

Uniquely SLO County

- Industry – Tourism
 - Occupancy Rate
 - TOT Receipts (Hospitality tax)
 - REVPAR (Revenue per Room)
 - Hotel and Motel Revenues (By Location)
 - Visitor Spending at Destination
- Industry – Agriculture
 - Crop Values
- Industry - Wine
 - Wine Values of Sales
 - Wine Production
 - Grapes Acreage
 - Number of Bonded Wineries

Section 3.6 Outreach/Communication

The EVC acts as a convener and facilitator, communicating with the County, Board of Directors, Steering Committee, cluster members, and external stakeholders to ensure adequate industry input to inform decision-making that supports enhancement of the County's economy.

Education and Outreach

Through the Steering Committee and clusters, a greater emphasis on education and outreach, both through public and private industry communication channels, will be targeted to garner further support of the cluster initiatives. Methods to be deployed to enhance education and outreach include:

- Websites
 - Develop a centralized location for information, to include links to local, and state agencies (County, Incorporated Cities and CSDs)
 - Work with local agencies to provide a link to the countywide site
- Media
 - Work with media partners (Newspapers, Radio, Television) on education and outreach focus on funding opportunities, funding deficiencies and identification of the need for economic development policies and projects.
- Organizations
 - Economic Development – Work with local business organizations such as the EVC, Chamber of Commerce, Rotary, etc., to incorporate Business outreach on infrastructure challenges
 - Trade Organizations – Work with building trade organizations to outreach on public/private partnership models
 - Work with the County, cities, CSD's, SLOCOG, LAFCO and others to identify needed and/or planned projects and policies.

Appendix A – Clusters of Opportunity Economic Strategy November 2010

San Luis Obispo County

CLUSTERS OF OPPORTUNITY ECONOMIC STRATEGY

Economic Vitality Corporation of
San Luis Obispo County

November 2010



Version 1.0

Page 34 of 78

This summary document prepared by:



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EXECUTIVE SUMMARY

For the first time, more than 100 of San Luis Obispo County's business leaders have agreed to work together—and with partners in government, education, and community sectors—to implement a shared agenda for economic vitality and community well-being. This document marks the launch of the San Luis Obispo Clusters of Opportunity Economic Strategy.

Clusters of opportunity provide the logical starting point for an Economic Strategy for the County. Five industry clusters have been responsible for most of the County's new economic vitality since the 1990s. They are: Building Design and Construction, Health Services, Knowledge and Innovation Services, Specialized Manufacturing, and "Uniquely SLO County" (a combination of agriculture, wine, recreation, accommodation, restaurants, and other specialty products and experiences).

Clusters of opportunity, if innovative, competitive, and healthy, will drive the "vital cycle" needed for economic prosperity and community quality of life that benefits residents across San Luis Obispo County. They generate jobs and wages for residents and buy products and services from local suppliers that have a positive ripple effect to create benefits for every community in the County. They generate tax revenues that fuel local public services and support the outstanding quality of life enjoyed by local residents.

Business leaders convened in cluster groups to identify the most promising opportunities for their industries to prosper in San Luis Obispo County. They identified a wide range of opportunities—even in the face of a global recession—that could drive their prosperity in the years ahead, including emerging markets for their products and services, new innovations that will enable them to stay competitive, and changes in public policy that could spur new vitality in their industries.

To capitalize on these opportunities, business leaders created cluster action plans, including specific strategies and measurable outcomes, as well as specific actions to take immediately. Virtually all of these leaders have signed on to be "champions" of the action plans, which together constitute the Clusters of Opportunity Economic Strategy for San Luis Obispo County.

The Action Plans launch teams and lay out specific steps for implementing a total of twenty strategies—the top three to five priorities per cluster. The specific Cluster Action Plans are included at the end of this document. The San Luis Obispo Economic Vitality Corporation and its partners will provide the implementation support to the teams.



Economic Vitality Corporation
of San Luis Obispo County

PO Box 5267, San Luis Obispo, CA 93403
(805) 798-2912 | Fax (805) 793-6297
www.sloevc.org | info@sloevc.org

501(c)(3) Non-profit

November 1, 2010

Re: Economic Strategy for San Luis Obispo County

The Economic Vitality Corporation (EVC) is pleased to announce the completion of an Economic Strategy for San Luis Obispo County which provides an assessment of, and strategy for, our local economy for long-term economic prosperity.

Formed over one year ago, this project represents the first-ever public/private partnership in San Luis Obispo County to provide a road map for greater economic vitality in our region. A comprehensive strategy has been created by COLLABORATIVE ECONOMICS, Inc. by analyzing the results of an industry cluster assessment with input from more than 100 local business leaders. As a regional economic development organization, the EVC is managing this project and it is made possible through public and private project sponsors. Now we must all implement the strategy.

The goal of the project is to create long-term prosperity and job growth throughout the county while improving the well-being of our communities through a strategy that addresses social, environmental and economic considerations. The project cluster assessment identifies the strengths and weaknesses of our local economy. As a result, five industry clusters have been targeted as the source for nearly 90 percent of local jobs since 1995. The strategy frames opportunities and requirements for more prosperity.

Call to Action – Your help is needed. The next phase of this effort is to move from planning to implementation, and your time and resources are needed to help implement the strategy. We will unleash the same enthusiasm, creativity and ingenuity that have formed this strategy into actionable items for policy makers and private sector entrepreneurs. Please learn more about the project from the EVC website (<http://sloevc.org/strategy.php>) and contact us as to how your talents can be integrated. One thing is clear – every business leader can contribute and every county resident and company will benefit, from the increased activity in these vibrant clusters within our county. If you have questions or suggestions, please contact Mike Manchak at 805-788-2013 or mmanchak@sloevc.org.

Our special thanks to the project sponsors, committee members, business leader volunteers as well as the EVC sponsors and Board of Directors for making this project a reality.

Sincerely,

Michael E. Manchak
President & CEO
Economic Vitality Corporation

Sincerely,

Candace L. Markwith
Board Chair, Economic Vitality Corporation
CEO, Sierra Vista Regional Medical Center

PROJECT STEERING COMMITTEE

Frank Mecham, Chairman
Board of Supervisors
Adam Hill, Vice-Chairman
Board of Supervisors
Candy Markwith
EVC Board Chair
Tom Jones
Dave Juhnke
Steven Harding
Dave Christy
Dave Garth
Dana Lilley

Keeping SLO County Business Vital

Economic Strategy Project

A special thanks to the following project sponsors



County of San Luis Obispo
\$ 50,000



Pacific Gas & Electric
\$20,000



Southern California Gas Company
\$18,000



Rabobank, N.A.
\$10,000



Bank of America
\$10,000



AT&T
\$5,000



First Solar
\$5,000



Sun Power
\$5,000



Sierra Vista Regional Medical Center
\$2,500

LETTERS OF SUPPORT

STATE CAPITOL
SACRAMENTO, CA 95814
(916) 951-4015

California State Senate

SENATOR
SAM BLAKESLEE, PH.D.
FIFTEENTH SENATE DISTRICT



Dear Members of the Economic Strategy Committee,

President John F Kennedy once said "a rising tide lifts all boats." Likewise, a growing and vibrant economy helps everyone. I am excited that local leaders from business and government of many different political persuasions have come together to unite behind the creation of a report describing an integrated economic strategy for San Luis Obispo County. The Economic Strategy Report will offer ways to create more head-of-household jobs, foster more businesses that are compatible to our county, and create ways to develop more tax rolls for our local government to pay for vital infrastructure and services.

I believe it is good that government and businesses are collaborating in such a positive way on a project to increase jobs and grow the local economy. The project goes beyond only helping the economy and businesses grow; it also looks at ways to improve the wellbeing of our local communities. The project will benefit all county residents and communities.

I am encouraged by the prospects for the use of the information gathered for the creation of this strategy. This project is the first step in learning about our local economy and determining how we should move forward as a community. I congratulate the more than 100 participants who contributed their time and money to bring this idea to fruition.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sam Blakeslee".

Senator Sam Blakeslee

KEVIN McCARTHY
22ND DISTRICT, CALIFORNIA

CHIEF DEPUTY
REPUBLICAN WHIP

COMMITTEE ON
FINANCIAL SERVICES

COMMITTEE ON
HOUSE ADMINISTRATION



Congress of the United States
House of Representatives
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www.kevinmccarthy.house.gov

November 3, 2010

The Honorable Frank Mecham
Chairman
Economic Strategy Project of San Luis Obispo County
1055 Monterey Street, Suite D430
San Luis Obispo, California 93408

Dear Chairman Mecham:

I write to commend the residents, local entrepreneurs, government officials, the Economic Vitality Corporation of San Luis Obispo (EVC), and other stakeholders for laying out a vision for the future of San Luis Obispo County's economic prosperity in the "San Luis Obispo Clusters of Opportunity Economic Strategy."

As you know, our state and county are facing record unemployment, massive debt, and many businesses either closing up shop or leaving California for more business-friendly environments. New innovative ideas are needed to ensure the economic vitality of San Luis Obispo and job creation. Our communities along the central coast are home to some of the most promising, innovative and leading companies in the region and state. It is important that we draw on their expertise and business acumen to help ensure a bright future for San Luis Obispo County, which is why I am glad over 100 local business leaders contributed to developing the Strategy. The five clusters laid out in the Strategy play an important role in our county and it is important that these areas continue to thrive to benefit our local communities.

I look forward to continuing to work with you, other government officials, local business leaders, the EVC, and residents of San Luis Obispo County on these important issues and creating jobs, and wish all parties the best of luck with the "San Luis Obispo Clusters of Opportunity Economic Strategy."

Sincerely,

KEVIN McCARTHY
Member of Congress

cc: Mr. Michael Manchak
President and CEO
Economic Vitality Corporation of San Luis Obispo
P.O. Box 5257
San Luis Obispo, CA 93403

PRINTED ON RECYCLED PAPER



November 3, 2010

Mr. Michael Manchak
President/CEO
Economic Vitality Corporation of San Luis Obispo County
P.O. Box 5257
San Luis Obispo, CA 93403

Dear Mr. Manchak:

Congratulations on the completion of the San Luis Obispo County Economic Strategy.

This first-ever public-private partnership, managed by the Economic Vitality Corporation (EVC), and chaired by Chairman of the Board of Supervisors Frank Mecham and Supervisor Adam Hill, will go a long way toward helping San Luis Obispo County build a vibrant and competitive economy for years to come.

During these tough economic times, creating a comprehensive economic strategy for San Luis Obispo County could not come at a better time. As the report demonstrates, San Luis Obispo County is rich in resources, talent and ingenuity, factors that will lead to long term prosperity and job growth throughout the County. In particular, I am excited to see the emphasis on green, sustainable businesses that are critical to both economic growth and protecting our planet for future generations.

I commend you and all who worked on this project for your hard work and dedication to our community, and look forward to continuing to work with EVC and local businesses to create jobs and move our economy forward.

Sincerely

LOIS CAPPS
Member of Congress

BOARD OF SUPERVISORS

1055 MONTEREY, ROOM D430 • SAN LUIS OBISPO, CALIFORNIA 93408-1003 • 805.781.5450



November 5, 2010

FRANK R. MECHAM
SUPERVISOR DISTRICT ONE

Dear San Luis Obispo County,

In real estate, the three most important ingredients are location, location and location. In today's economic climate the three biggest concerns are jobs, jobs and jobs. We are proud to join together, with the support of our colleagues, to assist with the first ever Economic Strategy for San Luis Obispo County.

With the participation of more than 100 top business executives, educators and innovative thinkers, and in partnership with the Economic Vitality Corporation, the establishment of a County-wide economic strategy is now becoming a reality. This comprehensive effort will become the roadmap of economic development for many years to come.

The five "economic clusters" have provided the implementation and action plan necessary to address the requirements for opportunity. Clearly, the three-pronged participation of businesses, education and government will be critical as we move down the road to economic recovery.

This overall strategy is meant to establish a County-wide effort that can better assist the job growth of our key industries. As revenues shrink, and as public sector jobs shrink too, it is ever more important that government partner with education and business to put an increased focus on head-of-household jobs. It's critical that we all work together so that our companies can grow here and stay here, and thus in doing so help to underwrite our County's superb quality of life.

We are honored to have been a part of this strategy and support the Economic Vitality Corporation and the sponsors who made this possible. San Luis Obispo County has much to offer and we believe an exciting future lies ahead.

Sincerely,

A handwritten signature in blue ink, reading "Frank R. Mecham".

Frank R. Mecham, First District Supervisor

A handwritten signature in blue ink, reading "Adam Hill".

Adam Hill, Third District Supervisor

INTRODUCTION BY AUTHOR

San Luis Obispo County



November 5, 2010

Mr. Michael E. Manchak
President & CEO
Economic Vitality Corporation
P.O. Box 5257
San Luis Obispo, CA 93403

Re: **Economic Strategy for San Luis Obispo County**

Dear Mike:

We offer our congratulations on the completion of your clusters of opportunity economic strategy. The San Luis Obispo County business community has come forward, and identified promising opportunities and requirements for industry cluster prosperity, then set measurable outcomes and designed priority strategies for action. Now, more than 100 business champions, with the support of the EVC and other public and private partners, are poised to begin implementation. It has been a privilege working with you and your champions to help develop these cluster action plans.

As you know, ours is a nationally-recognized organization (www.coecon.com) has been involved with many regions across California and the nation, helping develop economic strategies. We have worked in Sonoma County, the Redwood Coast, San Diego, Sacramento, Fresno, the Inland Empire, Solano County, Los Angeles, Silicon Valley, and Northern Sacramento Valley—in all, more than 50 communities across 25 states over the past 17 years.

We have also worked with national foundations and groups like the Pew Charitable Trusts, Rockefeller Brothers, foundations such as Irvine, Hewlett, Packard, the National Governors' Association, and others on economic development, workforce development, energy, and other policies and linkages. In two books, we have documented the leadership of "civic entrepreneurs" in communities across the country, individuals who bring the creativity and persistence to form teams that drive specific actions to improve the economic vitality and quality of life of their regions.

In all these efforts, the big question always is: are business leaders really willing to champion ideas that they put forward? The business leaders in your region have answered this question with a resounding "yes! Virtually every individual who participated in the planning and design process has volunteered to a champion in implementation. This is a tremendous achievement, and is without a doubt one of the highest levels of civic entrepreneurship we have seen in our work. We wish you the best as you begin implementation.

Sincerely,

John Melville

John Melville
President

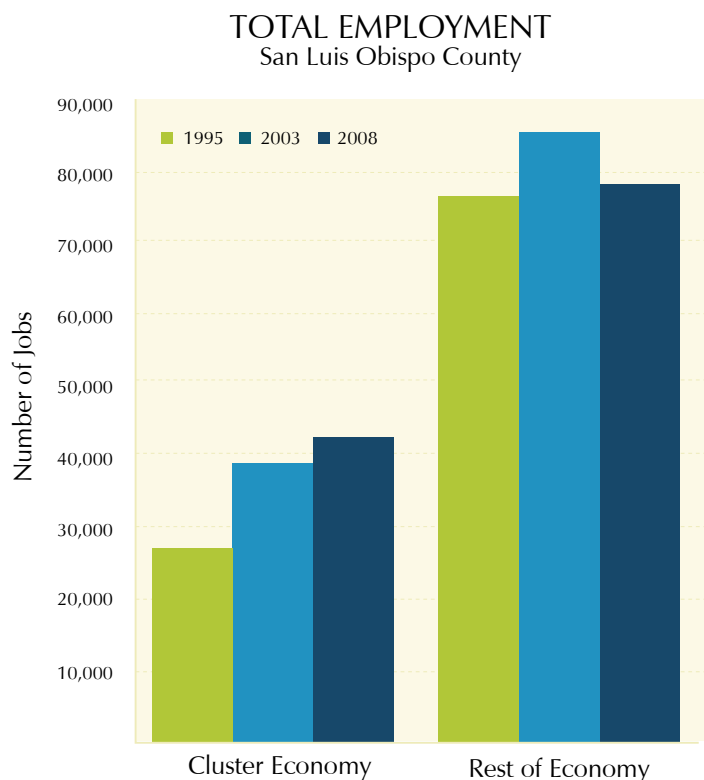
DEVELOPING THE COUNTY'S CLUSTERS OF OPPORTUNITY STRATEGY

For the first time, more than 100 of San Luis Obispo County's business leaders have agreed to work together—and with partners in government, education, and community sectors—to implement a shared agenda for economic vitality and community well-being.

This Strategy is the product of a series of work sessions convened by the Economic Vitality Corporation of San Luis Obispo County (EVC) with sponsorship from both County government and local companies. The foundation of the Strategy is new economic information that identified five key industry "clusters of opportunity." These clusters have been responsible for most of the County's new economic vitality since the 1990s—and will

continue to be critical to the County's future well-being (see chart below).

The clusters drive economic vitality, generating jobs and wages for residents and expanding purchases of products and services from local suppliers, all resulting in a positive ripple effect to create benefits for every community in the County. The clusters also generate tax revenues that fuel local public services and support the outstanding quality of life enjoyed by local residents. The clusters, if innovative, competitive, and healthy, will drive the "vital cycle" needed for economic prosperity and community quality of life that benefits residents across San Luis Obispo County.

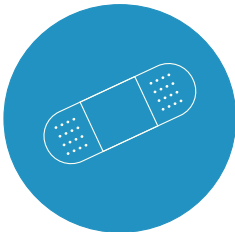


Data Source: National Establishment Time-Series Database
Analysis: Collaborative Economics

For these reasons, clusters of opportunity provide the logical starting point for an Economic Strategy for the region. The five clusters are: Building Design and Construction, Health Services, Knowledge and Innovation Services, Specialized Manufacturing, and “Uniquely SLO County” (a combination of agriculture, wine, recreation, accommodation, restaurants, and other specialty products and experiences). A more detailed research report on the clusters is available from the EVC website. Briefly, the industries included in each cluster are as follows:



The **Building Design and Construction Cluster** is comprised of architectural & engineering services, building construction, building equipment and finishing, foundation, structure, & building exterior contractors, heavy & civil engineering construction, land subdivision, utility system construction, green energy implementation, and roadway & bridge construction.



The **Health Services Cluster** includes home health care services, elderly community care facilities, medical & diagnostic laboratories, outpatient care centers, acute care hospitals, doctor’s offices, dentist’s offices, ambulatory services, and biosciences and medical products.



The **Knowledge & Innovation Services Cluster** is made up of a range of businesses including computer systems design, software publishers, colleges, universities & professional schools, advertising services, and printing services, as well as general professional, scientific, management and technical services.



The **Specialized Manufacturing Cluster** contains aerospace product manufacturing, basic & agricultural chemical manufacturing, electrical equipment manufacturing, medical equipment & supply manufacturing, pharmaceutical manufacturing, transportation & navigation equipment manufacturing, agricultural & construction machinery manufacturing, plastics & rubber manufacturing, motor vehicle & parts manufacturing, metalwork manufacturing, and cement & concrete manufacturing.



Wine & Agriculture includes aquaculture, floriculture production, vegetable farming, cattle ranching, fruit & nut farming, olives and olive oil, walnut oil, animal processing, and beverage manufacturing.

Recreation & Accommodation includes higher-value food and drink establishments, traveler accommodations, and amusement & recreation industries. High-value food and drink establishments reflect revenues per employee above the statewide average.

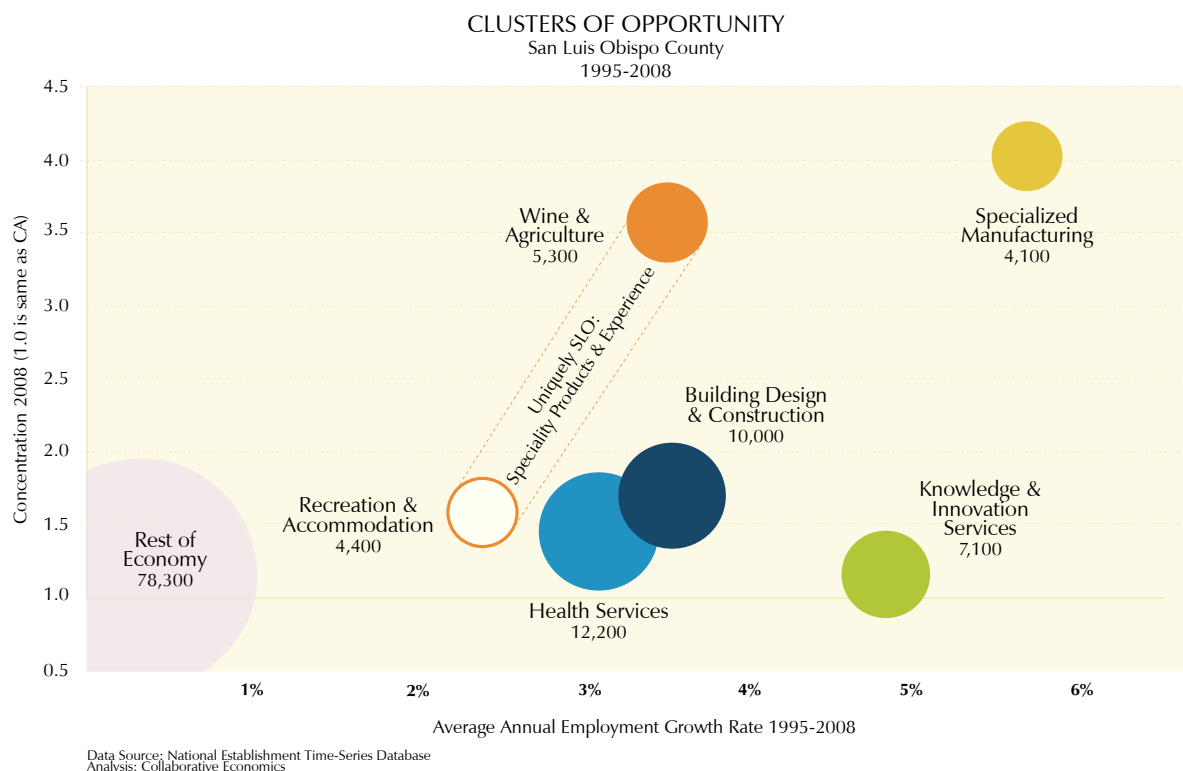
Wine, Agriculture, Recreation, Accommodation, and other regional specialty products and services combine into a cluster that can be called “Uniquely SLO County.”

As of 2008, the five clusters accounted for 36% of the County's jobs, but have been responsible for 89% of the County's job growth since the mid-1990s. From 1995 to 2008, the number of jobs in San Luis Obispo County's cluster-based economy grew 59 percent, while the number of jobs in the rest of the region's economy increased by less than one percent. More recently, while the number of jobs in non-cluster industries actually decreased eight percent from 2003 to 2008, those in the cluster-based economy grew nine percent.

As the chart below shows, the five clusters all experienced average annual growth rates ranging from about two to six percent between 1995 and 2008. Every one of the clusters is more concentrated in San Luis Obispo County, compared to the California average. For example, Specialized Manufacturing is four times more concentrated in terms of employment in San Luis Obispo County when compared to California as a whole. While the current global recession has adversely affected virtually all sectors of the local economy, the long-term record of these five clusters has not been erased: they remain as key drivers of the County's economic vitality and community well-being. Once the clusters of opportunity were identified,

business leaders were convened into five cluster groups. In May 2010, more than 100 senior business executives gathered to discuss the most promising opportunities for their industries to prosper in San Luis Obispo County. They identified a wide range of opportunities—even in the face of a global recession—that could drive their prosperity in the years ahead, including growing markets for their products and services, new innovations that will enable them to stay competitive, and changes in public policy that could spur new vitality in their industries. They also identified the critical requirements to capitalize on these opportunities in San Luis Obispo County.

Between May and October 2010, these business leaders focused on how best to capitalize on the most promising opportunities for their clusters. They developed action plans that include specific strategies and measurable outcomes, as well as specific actions to take immediately. Virtually all of these leaders have signed on to be "champions" of the action plans, which together constitute the Clusters of Opportunity Economic Strategy for San Luis Obispo County. The following sections summarize the opportunities, requirements, and key strategies for action for each cluster.





BUILDING DESIGN AND CONSTRUCTION

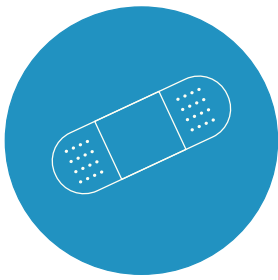
Business leaders in the Building Design and Construction cluster identified opportunities to serve growing markets in energy efficiency (including retrofits), renewable energy production and applications, and innovative design and building. They identified retirement housing, especially opportunities linked to active lifestyle, health, and related services, and opportunities to serve the need for workforce housing, infill development, and community infrastructure.

To enable the cluster to serve new and growing markets, improvements to the permitting process that would provide flexibility, increase speed, reduce fees, improve predictability, and prioritize high-quality development projects is required. Better promotion of innovative design and building projects, both locally and globally, as well as leveraging the world-class strengths of Cal Poly's architectural and engineering schools in particular, are also critical to revitalizing the cluster.

In addition, business leaders also focused on the need to identify and help connect companies to existing incentive funding (e.g., energy efficiency upgrades), and strengthen policies that encourage production and use of renewable energy (including procurement policies of government and other large purchasers in the County).

After discussing the options, business leaders decided to develop three distinct action plans:

- **Quality Development Coalition:** Create a business-led group that would develop criteria for high quality development in the County, support projects that meet those criteria at public meetings, educate the public on the connection between quality development and economic vitality, advise the local jurisdictions on infrastructure planning and financing, promote zoning changes to enable additional housing, and encourage analysis of economic impacts for local projects and policies.
- **Innovative Design and Building Partnership:** Create a partnership that would spotlight and promote innovative projects designed and built by local companies (located both inside and outside the County), as a way to grow local and global business for the County's design and building companies. In addition, the partnership would broker stronger ties between local companies, Cal Poly, and Cuesta College to promote innovation.
- **Green Energy Team:** Create a Team to promote the County as a center for green energy production, expedite resolution of issues affecting approval of local projects, help develop, package, and publicize incentives for energy efficiency upgrades, and work with local educational institutions to prepare local talent for design, installation, maintenance, and other jobs.



HEALTH SERVICES

Leaders in the Health Services cluster identified opportunities to serve growing markets in destination health care, wellness, medical specialties, health information technology, telemedicine, and medical and social support for a growing elderly population. In addition, leaders identified opportunities to have more residents make use of local specialties rather than looking outside the County for these services. The implementation of national healthcare reform was also viewed as a potential driver, with the expansion of health insurance to those previously lacking coverage.

To capitalize on these opportunities in San Luis Obispo County, leaders focused on an integrated approach to becoming a recognized center of excellence in wellness. This approach would include a well-connected and well-publicized continuum of medical specialties, wellness services, social support, and other services, as well as an infrastructure of electronic health records and specialized retirement housing and communities. This approach would reduce residents' use of outside health services, while addressing growing demand for a broader array of services that would make the County a desirable destination for active baby boomer retirees.

The cluster would need to work together to develop the wellness strategy, including educating the community on existing specialties, connecting all segments of the service continuum, working with the building design and construction industry on specialty housing and communities, and collaborating with local institutions to ensure there is sufficient talent

for the wide variety of occupations required to staff the growing demand for services across the continuum.

As a result, the cluster's action plan focused on the following three strategies:

- **Launch a community education initiative** that would (1) compile a comprehensive database describing the range of services and specialties that currently exist in the County, (2) inform the general public about the quality and accessibility of local specialties, (3) educate key individuals that can influence the choice of using local or outside specialties (e.g., employers, primary care/referring doctors), (4) create and host a widely accessible referral network of local specialties.
- **Create a wellness network**, linking partners in a unified approach to (1) develop materials and market the County as a wellness destination, including hosting wellness related conferences, (2) coordinate the use of health information technology to link services into a wellness continuum, (3) encourage integration of wellness into existing services and promote the development of additional components necessary to becoming a wellness destination (e.g., housing, social support, active lifestyle services).
- **Create an advocacy coalition** to change the County's reimbursement rate from a rural to an urban classification, working with other clusters in San Luis Obispo County and other California counties in similar situations.



KNOWLEDGE AND INNOVATION SERVICES

Business leaders in the Knowledge and Innovation Services cluster identified opportunities to serve growing global markets for knowledge, engineering, and other technical services, enabled by rapid innovation in mobile technologies and platforms. Because of this enabling technology, firms can deliver their services in education, healthcare, and other technical fields to a far-reaching global market without having to be located in a major metropolitan area. In this vein, business leaders identified the County as a good location for incubating and launching new services and entrepreneurial start-up companies.

To capitalize on these opportunities in San Luis Obispo County, business leaders focused on expanding the enabling infrastructure, including “test beds” (e.g., electronic government records, a smart grid as utilized in Boulder Colorado, electronic/paperless permitting, digital modeling) and better access to global networks (e.g., leveraging the region’s unique fiber optic “beachhead” to Asia).

In addition, better recognition and promotion of the cluster (i.e., creating a “buzz” about the County as a tech hub) inside and outside the region is vital to retain local college graduates, help residents learn about existing opportunities, and attract key technical and entrepreneurial talent (as well as providing opportunities for “trailing spouses”). This would involve marketing and positioning the County as a technology, design, knowledge worker destination, leading to a stronger relationship with Cal Poly to inform students and alumni about opportunities in the County.

There also must be more opportunities to bring cluster businesses together in the tech sectors to

explore business partnerships, more forums for access to capital and support for entrepreneurial ventures, and other joint efforts.

To address these needs, business leaders decided to form a Knowledge and Innovation Cluster Network to serve as a focal point for the cluster to come together to implement the following five strategies:

- **Build awareness of the cluster** through a new website that includes profiles of local business leaders and companies, products, and services; a news feed about local companies; an online job board; and an external marketing package to reach and inform companies and talent outside the County.
- **Develop an agreement with Cal Poly** to hold a first-ever knowledge and innovation cluster forum to define and launch specific partnerships among companies, faculty, and students, establish a clear access point at the University for cluster companies, and commit to annual summits to sustain and grow partnerships.
- **Develop an agreement with Cuesta College** to make greater use of the College’s Entrepreneurship Center for new/small cluster companies.
- **Expand access to global networks** through expansion of fiber optic “beachhead” access, building from current efforts focused on existing facilities.
- **Launch an innovation test bed initiative**, matching local governments, agencies, and companies with local teams of cluster companies to identify and establish test beds for specific applications.



SPECIALIZED MANUFACTURING

Business leaders in the Specialized Manufacturing cluster identified opportunities to serve growing markets for customized, specialty equipment in such areas as sub-systems manufacturing, design, and support; aerospace and defense; energy efficiency and exploration; health technology; commercial applications of defense-originated technologies; and others. This cluster has the greatest concentration and highest growth rate of all the clusters, but since cluster companies typically provide products or services outside the County, specialized manufacturing is one of the least visible of the clusters. However, the benefits to the region are significant, with the potential to expand further.

To capitalize on these opportunities in San Luis Obispo County, business leaders focused on the critical need for skilled technical talent, and for flexibility and speed in the permitting process to enable them to make changes in their facilities in a fast-moving, competitive global marketplace. There are needs for a variety of skilled people—from software developers, IT professionals, and system engineers, to skilled manufacturing personnel (e.g., machinists, equipment maintenance, highly skilled technicians or assemblers). Meeting these needs will require better retention of local graduates, ensuring that residents know about opportunities in the cluster, and attracting key personnel. This could include creating a countywide, web-based platform to describe cluster companies, their products and workforce, and opportunities for jobs.

Firms also need to be able to make periodic, rapid facility changes to meet changing market conditions, and would benefit from permitting processes that are more responsive to these business realities. This could include fast-track approval for changes of certain kinds or in specific locations (e.g., smaller additions/adaptations to existing facilities, designated pre-approved zones or tech parks).

Business leaders decided they would launch a

new Specialized Manufacturing Forum, a group that would provide the platform for launching the following specific strategies:

- **Host regular company-to-company exchanges** to share experiences, effective business strategies, lessons learned, and common issues; identify business assistance resources (funding, exports, communications, human resources) and quality suppliers; and forge mutually-beneficial business partnerships.
- **Launch a funder education strategy** to raise awareness of investment opportunities with local firms and help establish the County's identity as an attractive specialized manufacturing location (e.g., working with angel investors, venture capital firms, investment banks, local banks, and others).
- **Educate the broader community** (including city and county officials, and the general public) about specialized manufacturing and its value to the County's economic vitality (e.g., tax revenues, customer visitors, employee spending on goods and services, well-paying jobs, etc.).
- **Accelerate permitting for facility modifications and new facilities** by (1) sharing expertise in manufacturing techniques to help assess possible process improvements, (2) developing a faster permitting option for facility modifications when they meet pre-defined criteria, and (3) encouraging the creation of technology parks or zones that are pre-approved for development.
- **Improve the local talent pipeline** for the cluster by (1) using the Forum to promote job opportunities, (2) working with Cal Poly to link students/graduates with local job opportunities (e.g., first day is local employer day at career fairs), (3) visiting local high schools to make students aware of career options in the cluster, and (4) collaborating with Cuesta College and Cal Poly to develop offerings in "lean manufacturing" useful to the diversity of firms in the cluster.



UNIQUELY SAN LUIS OBISPO COUNTY

Business leaders in the Uniquely SLO County cluster identified opportunities to serve growing markets for unique regional products and experiences. In particular, growing interest in unique blends of wine, agricultural, educational, and culinary tourism could be drivers of prosperity for the industries in this cluster.

The cluster would benefit from expansion of: tours that involve multiple destinations (including those outside County), new and diverse attractions, meet the farmer opportunities and on-site sales (beyond wine), winery events, growing specialties (e.g., abalone, olives, olive oil, and walnut oil), and showcasing of agricultural innovation. Business leaders also noted that by connecting these elements and making them more visible to County residents would create better understanding and support for maintaining the future prosperity of this cluster.

To capitalize on these opportunities in San Luis Obispo County, business leaders focused on taking a countywide approach to branding and promoting the Uniquely SLO cluster, not only for tourism, but to increase local spending on local products and experiences as well as develop higher visibility in domestic and global markets for SLO County grown products of all kinds. This could take the form of marketing materials and a unified campaign, showcasing and connecting the diverse elements of the cluster brand.

In addition, to enable more people to experience these unique products and experiences, some changes in local policies would be beneficial, such as creating less restrictive rules for events and sales to encourage ag-tourism, working with wineries proactively on facility and other changes that will improve competitiveness and enrich the experience of visitors and residents alike, and

improving regulatory processes which currently challenge agricultural production and processing to adopt innovations.

As a result, business leaders chose to continue working together as a combined cluster group to implement four specific strategies:

- **Expand Countywide funding** to promote the Uniquely SLO County cluster. This sustainable funding mechanism or arrangement could involve: consistent and expanded countywide tourism funding through annual contributions from community BIDs, greater participation of all lodging entities into BIDs or VCB, or other models.
- **Launch a unified, Countywide branding and marketing campaign** that (1) inventories the full range of cluster specialties, (2) promotes the concept of the “SLO County Experience” by describing and connecting diverse assets, and (3) supports collaborative events (e.g., Savor) that showcase the County’s assets.
- **Launch a parallel community awareness campaign** that educates five groups (general public, policymakers, other clusters, potential opponents, our own employees) about the value of the cluster to the County’s economic vitality and quality of life.
- **Promote local policy changes that support individual specialties and combinations of specialties**, including (1) less restrictive rules on events, complementary visitor-serving uses, and local sales to promote agricultural tourism, and (2) more flexibility for value-added improvements including agricultural processing and winery development.

IMPLEMENTING THE COUNTY'S CLUSTERS OF OPPORTUNITY STRATEGY

Economic vitality is critical to sustaining a vital community and high quality of life—driving a vital cycle that produces revenues for public services and amenities, jobs for residents, and products and services for the local population.

The County has the opportunity to build on its economic strengths to ensure long-term vitality and quality of life. There are five major industry clusters of opportunity that have been responsible for almost 90% of the County's private sector job growth since the mid-1990s. It is these five clusters which are the focus of the Economic Strategy for San Luis Obispo County.

To capitalize on this opportunity requires specific action plans to promote the vitality of each of the five clusters. It requires champions—leaders from business, government, and the broader community willing to work together to set priorities and implement strategies that deliver results. It requires implementation support, an

organization that will assist each of the clusters in carrying out their action plans, monitor progress, hold them accountable, and report back to the community.

The Economic Vitality Corporation is stepping forward to also become the implementation support organization for the cluster action teams. The successful implementation of action plans increases the economic vitality of each of the five clusters of opportunity in terms of jobs, wages, new and expanding businesses, and public revenues generated to support the County's quality of life.

To carry out this responsibility means:

- **Supporting** the implementation of all the cluster action plans, including assistance with funding, logistics, and recruitment of additional champions and implementation partners, including business leaders outside the clusters.
- **Providing** the venue for discussion of common issues and sharing of best practices across the clusters, and the catalyst for development of specific cross-cluster initiatives as needed.
- **Monitoring** progress and publishing milestones for each of the cluster action plans and holding teams accountable to their proposed outcomes.
- **Enhancing** cluster success and local support by communicating results of the cluster plans to the community and the broader message of the cluster-driven vital cycle that produces benefits for County residents on a regular basis through publications, events, and other means.
- **Communicating** information about the clusters to companies and individuals outside the County, and working with interested parties to connect them to cluster teams and/or assist them in relocating or expanding in the County.
- **Providing** the platform for the formation and launch of new action teams in the future in response to changing economic conditions and new opportunities to promote economic vitality and quality of life of San Luis Obispo County.

To carry out these responsibilities will require collaboration and support from both the public and private sectors. It is critical that the implementation of the clusters of opportunity strategy continue to be a public-private partnership, just like the development of the strategy and cluster action plans. While cluster employers will play a crucial role in the implementation of the action plans, government, education, and community leaders will also be needed to play important roles. There will be needs for specialized expertise, investment resources, and leadership in terms of policy and programs that will be critical to the successful

implementation of the cluster action plans, and thus the overall success of San Luis Obispo County's cluster of opportunity economic strategy.

In implementation, it is important to remain opportunistic and adaptable, as conditions change, strategies are tried, and new resources become available. It will also be important to continue to welcome new "champions" to the team—individuals who are willing to invest their time and resources in helping their cluster and their County prosper.

CLUSTER ACTION PLANS AND CHAMPIONS

Specific cluster action plans follow for Health Services, Knowledge and Innovation Services, Specialized manufacturing, and Uniquely SLO County. The Building Design and Construction Cluster created three distinct action plans—one for the creation of a Quality Development Coalition, one for an Innovative Design and Building Partnership, and one for a Green Energy Team.

Each action plan has three components: priority outcomes, priority strategies, and implementation actions. These are the outcomes, strategies, and actions that cluster leaders deemed most important in order to capitalize on the most promising opportunities for cluster prosperity. Under implementation actions, each plan identifies first steps/early wins to be accomplished during the next few months. For each cluster, a list of champions who have signed on to help drive implementation is included.



BUILDING DESIGN AND CONSTRUCTION

CLUSTER CHAMPIONS

KATHRYN ARBEIT
First Solar

RUDY BACHMANN
Specialty Construction

GREG BLUE
SunPower

CURT BOUTWELL
KCI Environmental

BRAD BRECHWALD
Wallace Group

MATT BROWNE
Liberty Coatings

JERRY BUNIN
Home Builders Association

MICHAEL CANNON
Cannon

KEVIN HAUBER
SLO Green Build

JEANNE HELPHENSTINE
South County Realty

MARTY INDVIK
Lee & Associates

ERIK JUSTESEN
RRM Design Group

TREVOR KEITH
County of San Luis Obispo

ANGIOLO LAVIZIANO
REC Solar

TIM MAHONEY
Southern CA Gas Company

DAVID MARCHELL
Omni Design Group

HAMISH MARSHALL
Westpac Investments

DON MARUSKA
Don Maruska & Co.

STEVE MCCARTY
Stafford- McCarty

VIC MONTGOMERY
RRM Design Group

GREG NESTER
Greg Nester Homes

SUZANNE PARKER
Chevron

MATT QUAGLINO
Quaglino Properties

CHARLIE RICHARDSON
Richardson Properties

JOHN RICKENBACH
Planning & Environ Consult.

TURKO SEMMES
Semmes Builders & Co.

BILL THOMA
Thoma Electric

CHUCK TREATCH
JRW Group

KRIS VARDAS
Pacific Gas & Electric

PATRICK WELLER
Pacific West Energy Solutions

DICK WILLHOIT
Estrella Associates

TIM WOODLE
Pults & Associates

JERRY WILLIAMS
J. W. Design & Construction

Please contact EVC about joining this group.

QUALITY DEVELOPMENT COALITION ACTION PLAN

PRIORITY OUTCOMES

DEVELOPMENT PROCESS IMPROVEMENT

Shorter and more certain time frame to get from permit application to decision

Permitting process balances economic vitality and environmental well-being, and results in more approvals of high-quality projects.

Land use ordinances allow flexibility for high-quality projects (e.g., through a County Planned Development Ordinance)

Rezoning of land and construction of workforce housing, particularly for the five clusters critical to the County's economic vitality

Priority is given to commercial building modifications that enable companies in the five key clusters to remain competitive and contribute to the economic vitality and quality of life of the County

PRIORITY STRATEGIES

DEVELOPMENT PROCESS IMPROVEMENT

Create a business-led Quality Development Coalition of leaders and employees of cluster and other businesses, and other community partners. Coalition would:

1. Develop criteria for high quality development.
2. Support projects that meet these criteria at public meetings.
3. Conduct a campaign to educate general public on the connection between quality development and economic vitality.
4. Create an infrastructure planning and financing team to identify needs and strategies to fund infrastructure improvements, including a standing advisory committee to the County Board of Supervisors.
5. Promote rezoning of land in the County for housing as part of the Land Use Element Update that is currently in progress.
6. Encourage analysis of economic impacts of projects and policies in the County, and consistency with the Economic Element of the General Plan.

Coalition would also provide individuals to participate and work with the County's Process Improvement Committee, which will examine public processes and develop specific changes to improve process efficiency.

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Quality Development Coalition

1. Build the coalition, recruiting members from all the County's leading industry clusters
2. Establish criteria for supporting quality development projects
3. Choose first projects to support and deliver supporters to public meetings
4. Create a team on infrastructure planning and finance to work with County Board to establish advisory committee
5. Assign individuals to join or work with the County's process improvement Committee
6. Assign individuals to join with other partners to work with County on rezoning of land for housing as part of Land Use Element Update.

INNOVATION DESIGN AND BUILDING PARTNERSHIP ACTION PLAN

PRIORITY OUTCOMES

INNOVATIVE DESIGN AND BUILDING

Growing volume of California, U.S., and global design and building work for local companies

Innovative local design and building becomes a growing share of total design and building in the County

Increasing resource savings and efficiency in County due to innovative design and building

Growing collaboration between local companies, Cal Poly, and Cuesta College (projects, consulting, graduates, students) promotes innovation among local firms

PRIORITY STRATEGIES

INNOVATIVE DESIGN AND BUILDING

Form partnership to spotlight and promote innovative locally-designed projects being built in County and by local companies in other locations to encourage expansion of innovative design and building locally and as a way to promote exports of our expertise globally.

Develop partnership agreements between the local design and building industry and Cal Poly and Cuesta College, outlining specific commitments to collaborate and drive innovation.

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Innovative Design and Building Partnership

Assemble partnership to focus on:

1. Spotlighting examples of innovative design and building by local companies
2. Promoting SLO County's innovative design and building capabilities globally
3. Building the partnership with Cal Poly and Cuesta College to deliver mutual benefits to the industry and the institutions and their students. Particular attention will be paid to connecting Cal Poly strengths in Engineering and Architecture with the local design and building industry.

GREEN ENERGY TEAM ACTION PLAN

PRIORITY OUTCOMES

GREEN ENERGY & ENERGY EFFICIENCY

IMPROVING CLIMATE FOR GREEN ENERGY & ENERGY EFFICIENCY

Increasing County and city support for green energy production and use

Improvements in permitting processes for green energy production

New and expanded green energy production facilities in County

GROWING POSITIVE IMPACTS OF GREEN ENERGY & ENERGY EFFICIENCY

Increases in production, use, and exports of green energy

Increases in companies providing green energy products and services

Increases in jobs in green energy companies

Growth of green energy use as a share of total energy use

Become recognized leader in green energy in a way that attracts national and international attention, investment, and other benefits (e.g., ecotourism)

Increasing use of local incentives for energy efficiency improvements (e.g., utility, Homestar, Pace loans, energy efficient mortgages)

Growing pool of contractors and workforce certified to do energy efficiency retrofits

PRIORITY STRATEGIES

GREEN ENERGY & ENERGY EFFICIENCY

Create a “Green Energy Team” to expedite resolution of issues affecting approval of green energy production projects, beginning with two solar projects currently in process

Green Energy Team promotes the County as a center of green energy production, developing local and attracting outside investors, companies, and talent.

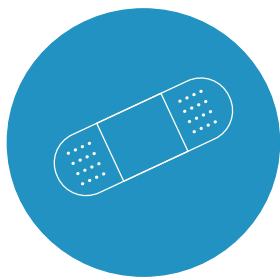
Green Energy Team encourages green financing to develop, package, and publicize incentives for energy efficiency upgrades (e.g., floating of bonds, local bank support/packages, utility incentives, public procurement, etc.)

Green Energy Team works with local institutions to expand local education and training that prepares local talent for green energy employment in installations and maintenance.

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

1. Assemble team and focus on expediting resolution of issues affecting approval of current green energy projects
2. Interview green energy companies to profile them, understand their reasons for locating in SLO County, and identify common needs to be addressed
3. Develop clear statement of SLO County as a green energy center, with value to local residents and outside world.
4. Take first steps in promoting/showcasing County as a green leader (e.g., a package of materials, media placements, spotlighting green projects)
5. Develop framework and letters of intent between Green Energy Team employers and Cal Poly and Cuesta College focused on specific education and training for key positions
6. Increase by 10-20 the number of local contractors certified to participate in energy efficiency retrofits
7. Launch a green financing initiative that documents existing incentives/programs and markets them to residential and commercial sectors.



HEALTH SERVICES

CLUSTER CHAMPIONS

DR. AHMAD AMIR, M.D.
Pacific Eye Surgeons

JILL BOLSTER-WHITE
Transitions Mental Health

DR. RENE BRAVO, M.D.
Bravo Pediatrics

DR. CRAIG CANFIELD, M.D., Urology Associates of San Luis Obispo

RON CASTLE
Community Health Centers of the Central Coast

RICK CASTRO
Arroyo Grande Community Hospital

JASON CHANG
Twin Cities Community Hospital

CARLYN CHRISTIANSON
Coastal Anesthes. Medical

JOLIE DITMORE
Central Coast Pathology

CONNIE FRAMBERGER
Framberger Employee Benefits & Insurance Services

DR. KEN FRIEDMANN, M.D., Urology Associates of San Luis Obispo

DR. PAUL GEORGHIOU, M.D.

DR. STEVEN GOODMAN, M.D., Cuesta Medical Group

DR. TOM HALE, M.D.
C. Coast Emergency Phys.

PAM HEATHERINGTON
Central Coast Orthopedic Medical Group

KEN HRITZ
French Hospital Medical Center

FRANK KELTON
San Luis Ambulance

DR. PHILLIP KISSEL, M.D.

DEBBIE LANDRUM
Atascadero State Hospital

RICK LYON
Twin Cities Comm. Hospital

CANDY MARKWITH
Sierra Vista Regional Medical Center

FRANK MATEO
Southern California Gas Company

LAURA MURPHY
Morris & Garritano

DR. BRIAN ROBERTS, M.D., Med Stop Urgent Care

KELLY SANDERS
SLO Sports Therapy

BOB SAYERS
Medical Management Strategies

MARSHA SCOTT
Cuesta College Nursing Program

DARREN SMITH
Compass Health

BIZ STEINBERG
Community Action Partnership

DR. FRED VERNACCHIA, M.D., San Luis Diagn. Center

MARK WOLPERT
Compass Health

KRISTEN YETTER
Promega Biosciences

Please contact EVC about joining this group.



HEALTH SERVICES ACTION PLAN

PRIORITY OUTCOMES

INCREASE USE OF LOCAL HEALTH CARE SERVICES AND SPECIALTIES

Increase in local residents' use of local health care services (e.g., possible measures include: annual number of cancer diagnoses countywide compared to annual number of patients receiving treatment within County; annual number of procedures completed locally that have traditionally been done at outside region).

Increase in reimbursement rate (from rural to urban classification), which helps attract more specialists and expand local health service cluster.

COUNTY BECOMES LEADING WELLNESS DESTINATION

Increase in the volume and diversity of wellness services in the County

Increase in the connectivity across different levels and elements of the local health care system, as well as related social support, active senior housing, and other elements supporting the vision of the County as a leading wellness destination.

Growing recognition outside the County that the area is a prime wellness destination, especially among active baby boomer retirees.

Improving health outcomes among local population due to County's commitment to be a wellness destination and meet the diverse needs of its population with a strong network of health and other services.

PRIORITY STRATEGIES

Launch a community education initiative that would (1) compile a comprehensive database describing the range of services and specialties that currently exist in the County, (2) inform the general public about the quality and accessibility of local specialties, (3) educate key individuals that can influence the choice of using local or outside specialties (e.g., employers, primary care/referring doctors), (4) create and host a widely accessible referral network of local specialties.

Create a wellness network, linking partners in a unified approach to (1) develop materials and market the County as a wellness destination, including hosting wellness related conferences, (2) coordinate the use of health information technology to link services into a wellness continuum, (3) encourage integration of wellness into existing services and promote the development of additional components necessary to becoming a wellness destination (e.g., housing, social support, active lifestyle services).

Create an advocacy coalition to change the County's reimbursement rate from a rural to an urban classification, working with other clusters in San Luis Obispo County and other California counties in similar situations.



HEALTH SERVICES ACTION PLAN

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Community Education Initiative

1. Define usage measures for local health care services, establishing baseline for local residents and identifying level and type of services sought outside County.
2. Establish database of current physician and facility credentials and qualifications, including information on diagnoses and treatments done locally
3. Package and disseminate information widely to local residents and referring professionals (i.e., create website/clearinghouse, highlight health care segment regularly in media, launch collaborative community education campaign to promote local services.

Wellness Network

1. Define “wellness/prevention/active lifestyle” vision and potential for San Luis Obispo County (a concise, “elevator speech” to share widely).
2. Create a broad-based coalition of wellness service providers and supporters (including health services, social support, housing developers, etc.), compiling an inventory of diverse services and support currently available.
3. Develop brand and messaging for wellness, and initial set of promotional materials for use inside and outside the County (e.g., identify wellness “ambassadors” who promote/educate, drive wellness message in schools)
4. Explore potential partnership on electronic medical records to support connections among elements of system.

Advocacy Coalition on Reimbursement Rates

1. Organize a local coalition and develop a concise case for changing reimbursement rates, including why the change will benefit other clusters in the County (e.g., reduce shortage of primary care doctors, etc.).
2. Host a session with the other clusters to secure support for rate change and work with local elected officials to advocate a solution.
3. Reach out to other counties in a similar reimbursement rate situation to develop cross-county advocacy initiative.



KNOWLEDGE AND INNOVATION SERVICES

CLUSTER CHAMPIONS

LIZ ALFLEN
IQMS

BILL BORGS MILLER
Aviation Consultants, Inc.

MAC BRINTON
InfoGard Laboratories

JEFF BUCKINGHAM
Blue Rooster Telecom

BRIAN CLAUSEN
Shopatron

DENNIS CLEVENGER
Clever Concepts

JAMES COOK
First Solar

DAVE COX
Barnett Cox & Associates

ROBERT CROCKETT
Proof of Concept

JIM DUNNING
Cal Poly State Univ C3RP

GORDON EDMONDS
Gateworks Corporation

JOSH ERDMAN
Digital Foundation

ERIC ERNSTROM
The Parable Group

JOHN EWAN
Pacific Energy

HELIO FIALHO
Auspient

SAMUEL GILSTRAP
Asset Logic Group

ED HEINBOCKLE
Visual Purple

ROB HOPE
San Luis Tech Consultants

BRANDEN JENKINS
Retail Anywhere

MARK JOHNSON
SRI International

JEREMY LADUQUE
Elements

RICK LONDON
United Way of SLO County

JAMIE MAGON
Promotional Concepts

JUNE MCIVOR, Sinsheimer,
Juhnke, Lebens & McIvor

ALEX MINICUCCI
SMS Masterminds

MUHAMMAD NOORI
Cal Poly College of Engin.

B. K. RICHARD
retired aerospace executive

LONNY ROLLINS
Innovative Concepts

MIKE SILACCI
AT&T

CHRIS SMITH
CygNet Software

RICK STOLLMMEYER
Mind Body

GIL STORK
Cuesta College

CURT VAN INWEGEN
Level Studios

KYLE WIENS
iFixit

TIM WILLIAMS
Digital West Networks

Please contact EVC about joining this group.



KNOWLEDGE AND INNOVATION SERVICES ACTION PLAN

PRIORITY OUTCOMES

AWARENESS OF KNOWLEDGE AND INNOVATION SERVICES CLUSTER

Increase in awareness of cluster employment opportunities among local residents, Cal Poly students and graduates, “trailing spouses”, and outside talent

Increase in brand awareness of the knowledge and innovation cluster, including the range of expertise, companies, products and services located in San Luis Obispo County

Creation of a convener of cluster companies, enabling greater collaboration among companies to pursue business opportunities, address shared challenges, and collaborate with community partners to address challenges (e.g., workforce, access to global markets, access to capital, awareness-building)

ACCESS TO GLOBAL COMMUNICATIONS NETWORKS TO PROMOTE EXPORTS

Full inventory and description of the County’s broadband infrastructure is completed

Increase in cluster company access to the County’s unique fiber optic “beach head” to Asia

Increase in the number of wired buildings (100 mbps or greater) that house cluster companies

Increase in global exports of knowledge and innovation services due to improved connectivity to outside markets

COLLABORATION WITH THE COMMUNITY

Growing involvement of the academic community in helping cluster companies as measured by (1) amount of assistance to start-ups, (2) number of students working collaboratively on projects for cluster companies, (3) number of faculty engaged in projects with local companies, (4) growing cluster company presence in Cal Poly Tech Park, (5) expansion of degree and certificate programs, contract education, and transfer agreements to prepare local residents for jobs and career advancement with cluster companies.

Growing number of public sector sponsored “test beds” that provide an opportunity for local companies to demonstrate new products and services (e.g., electronic government records, electronic permitting process, mobile electronic building inspection, smart grid, health information exchange), resulting in both productivity improvements and other positive impacts for government sponsors and new business opportunities for cluster companies.



KNOWLEDGE AND INNOVATION SERVICES ACTION PLAN

PRIORITY STRATEGIES

CREATE A KNOWLEDGE AND INNOVATION CLUSTER NETWORK TO ACT AS A FOCAL POINT FOR CLUSTER COMPANIES TO COME TOGETHER TO:

Build awareness of the cluster through a new website that includes profiles of local business leaders and companies, products, and services; a news feed about local companies; an online job board; and an external marketing package to reach and inform companies and talent outside the County.

Develop an agreement with Cal Poly to hold a first-ever knowledge and innovation cluster forum to define and launch specific partnerships among companies, faculty, and students, establish a clear access point at the University for cluster companies, and commit to annual summits to sustain and grow partnerships.

Develop an agreement with Cuesta College to make greater use of the College's Entrepreneurship Center for new/small cluster companies.

Expand access to global networks through a fiber optic "beachhead" access project, building off current efforts focused on three facilities.

Launch an innovation test bed initiative, matching local governments/agencies/companies with local teams of cluster companies to identify and establish test beds for specific applications.



KNOWLEDGE AND INNOVATION SERVICES ACTION PLAN

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Build Cluster Awareness

1. Create a network of local cluster companies, defining a role that complements existing CEO roundtables.
2. Develop a website to profile local businesses, products, and services, and employment opportunities, leveraging and linking from existing sites.
3. Use network to drive website content and support; identify common needs (e.g., key skill sets); organize marketing (including local media articles); seek out alumni (Cal Poly, local high schools) who want to stay or return to County; and reach out to current high school students about careers in the cluster.

Negotiate Agreements with Cal Poly and Cuesta College

1. Create team to establish framework and organize specific partnerships with Cal Poly, securing a key point of contact and collaboration at the University. Explore interest of Specialized Manufacturing Cluster to join the team.
2. Negotiate agreement to hold Innovation Conference to showcase local companies and University capabilities, including a Local Company Job Fair.
3. Form and launch intern/work experience/mentor program with Cal Poly, and work with engineering and business faculty to identify student projects with cluster companies.
4. Create team to work with Cuesta College Entrepreneurship Center, with at least 3 cluster companies referred to the Center to improve operations, products, etc.

Fiber Optic Beach Head Access

1. Complete broadband identification project
2. Determine next steps, and organize cluster companies with community partners to take action.

Innovation Test Bed Initiative

1. Create team to explore potential test bed opportunities (e.g., a health information exchange project with the health services cluster, mobile electronic building inspection, wireless lab at Cal Poly Tech Park, local web/access control companies and TSA improve airport access for out of town pilots, County electronic permitting processes, and County electronic recording)
2. Launch one or more test bed projects in 2011.



SPECIALIZED MANUFACTURING

CLUSTER CHAMPIONS

THOMAS AKERS

AeroMech Engineering

RON ALERS

Sonic Sensors

RODNEY BABCOCK

Next Intent

STEVEN BURT

FzioMed

RODNEY CEGELSKI

Accessories Marketing

CHRIS CONNORS

Zurn Wilkins

BILL DENZEL

Xcelaero

DUSTIN HEON

Accuair

RODNEY IDLER

Atmospheric Water Systems

MARK INGERSOLL

DeRoyal Industries

LEE JOHNSON

Collaboration LLC

TIM JOHNSON

SAES Pure Gas

KEVIN KUHN

Joslyn Sunbank

PAT LAWLESS

Xcelaero

KEVIN MEYER

Specialty Silicone Fabricators

BRIAN MILLER

Maglio

RANDAL MOOS

Atmospheric Water Systems

TOM NUCKOLS

Voler

JOEL PETERSON

Del Ozone

KEN PETTIT

Big Images

TIM PRICE

Applied Technologies Assoc.

TY SAFRENO

Trust Automation

JEFF STAPLES

Ground Control

CAMERON TAPP

Clear Water Tech

JEFF WADE

Fleet Management Solutions

GUY WELLS

Hot Chillys

JAMES WHITE

APT Water

KAREN WOODLING

The Spice Hunter

Please contact EVC about joining this group.



SPECIALIZED MANUFACTURING ACTION PLAN

PRIORITY OUTCOMES

BETTER ATTRACTION AND RETENTION OF TALENT

Increase in understanding of employment opportunities in specialized manufacturing, and appreciation for what cluster contributes to the economic vitality in the County

Increase in retention of Cal Poly graduates, employing them at local specialized manufacturing companies

Reduction of relocation expenses, with the need to import less talent from outside County

Increase in relocations to the County without extra compensation

Decrease in the time to fill job openings

Improving competitiveness on affordability compared to similar regions

BETTER CLIMATE FOR FACILITY IMPROVEMENTS

Increase speed for making facility changes to meet shifting market conditions (e.g., decrease number of days from application to approval of permits)

Increase pre-approved and close-to-approved acreage, development parks, or special zones for new buildings

BETTER CLUSTER RESULTS

Increase income, jobs, and exports of the County's specialized manufacturing cluster

Increase base of local suppliers, retain existing firms, and grow new entrepreneurial companies in the cluster



SPECIALIZED MANUFACTURING ACTION PLAN

PRIORITY STRATEGIES

LAUNCH SPECIALIZED MANUFACTURING FORUM, focusing on the following priorities:

Host regular company-to-company exchanges to share experiences, effective business strategies, lessons learned, and common issues; identify business assistance resources (funding, exports, communications, human resources) and quality suppliers; and forge mutually-beneficial business partnerships

Launch funder education strategy to raise awareness of investment opportunities with local firms and help establish the County's identity as an attractive specialized manufacturing location (work with local banks, educate outside lenders about the cluster).

Educate the broader community (including city and county officials, and the general public) about specialized manufacturing and its value to the County's economic vitality (e.g., tax revenues, customer visitors, employee spending on goods and services, well-paying jobs, etc.).

Accelerate permitting for facility modifications and new facilities by (1) sharing expertise in manufacturing techniques to help assess possible process improvements, (2) developing a faster permitting option for facility modifications when they meet pre-defined criteria, and (3) encouraging the creation of technology parks or zones that are pre-approved for development.

Improve the local talent pipeline for the cluster by (1) using the Exchange to promote job opportunities, (2) working with Cal Poly to link students/graduates with local job opportunities (e.g., first day is local employer day at career fairs), (3) visiting local high schools to make students aware of career options in the cluster, and (4) collaborating with Cuesta College and Cal Poly to develop offerings in lean manufacturing useful to the diversity of firms in the cluster.

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Forum for Company-to-Company Exchange

1. Determine structure of Forum (e.g., membership criteria, meeting frequency, schedule, etc.)
2. Establish Forum with website including meeting schedule, online topic discussion, job posting links, profiles/links of local specialized manufacturers
3. Establish a presentation format to share experiences, business strategies, and common issues (e.g., Guy Kawasaki model of 10 slides/20 minutes/30 point font)
4. Launch first company-to-company exchange sessions

Funder Education Strategy

1. Create cluster-focused presentation package for investment funding community, highlighting businesses, markets served, innovations, growth histories, and “networked” capabilities
2. Distribute presentation package widely to cluster employers and local financial institutions, and conduct briefings for local funders and explore hosting meeting for potential outside funders

Community Education Strategy

1. Publicize existing information about cluster (e.g., EVC analysis of cluster growth, jobs)
2. Collect additional information from cluster companies about economic impacts, including payrolls, local purchasing, local taxes, and the like
3. Develop overall cluster message and promotional package
4. Begin first phase of long-term education strategy, with inserts into local papers showcasing companies, products, and to the community

Facility Permitting Team

1. Create team to support County’s Process Improvement Committee, providing focused input on cluster priorities and offering process improvement expertise.
2. Team also works with public sector to focus on longer-term options such as a technology park or zone.

Talent Pipeline Strategy

1. Establish working group with Cal Poly and Cuesta College focused on retaining graduates and impacting education and training
2. Get approval for Cal Poly local company career fair by 12/31/10. Explore partnership with Knowledge and Innovation cluster on career fair with Cal Poly.
3. Hold local company career fair in early 2011
4. Working group also works with Cal Poly and Cuesta College to identify specific changes in curriculum and programming helpful to specialized manufacturing.



UNIQUELY SAN LUIS OBISPO COUNTY

CLUSTER CHAMPIONS

JUSTIN BALDWIN

Justin Vineyards & Winery

HUNTER FRANCIS

Cal Poly State University

DANA MERRILL

Mesa Vineyard Management,
Pomar Junction Vineyard

MELANIE BLAKENSHIP

Nature's Touch Nursery &
Harvest

NICK FRANC

State Parks, Hearst Castle

CHARLIE MEYERS

Big Sky Cafe

JIM BRABECK

Farm Supply Company

RICHARD GONZALES

Gonzales Ranch

KRIS O'CONNOR

Central Coast Vineyard Team

DON BRADY

Robert Hall Winery

MIKE HANCHETT

Best Western Cavalier

BRUCE RAY

The Tribune

ALISON RUSH CARSCADEN

15 Degrees C

STEVEN HARDING

Rabobank, N.A.

GALEN RICARD

Cal Poly CAFES Center for
Sustainability

MIKE CASOLA

Boutique Hotel Collection

PAUL HOOVER

Still Waters Vineyards

VIVIAN ROBERTSON

Paso Robles Event Center

PAUL CLARK

Grower/Attorney

TOM IKEDA

Ikeda Brothers

CHARLENE ROSALES

United Way of SLO

JACKIE CRABB

SLO County Farm Bureau

JOHN KANEY

Kaney Foods

MARK SHAFFER

Fun Ride

CHERYL CUMING

County Tourism B.I.D.

JOHN KING

Boutique Hotel Collection

JOHN SORGENFREI

TJA Advertising

CHRIS DARWAY

Darway Family Farms

DEE LACEY

Ag Liaison Advisory Board

JOHN SUMMER

SLO County Visitors Bureau

STEVE DAVIS

Stafford- McCarty
Commercial Real Estate

PATRICK MAHAN

Fun Ride

RICK TOYOTA

Niner Wine Estates

RAY FIELDS

The Abalone Farm

NOREEN MARTIN

Martin Resorts

NIELS UDSEN

Castoro Cellars

SUSAN MCDONALD

Hearst Ranch

Please contact EVC about joining this group.



UNIQUELY SAN LUIS OBISPO COUNTY ACTION PLAN

PRIORITY OUTCOMES

INCREASING AWARENESS AND SUPPORT OF CLUSTER

Increase in awareness of the full range of cluster assets within County among residents, governments, businesses, as well as among potential tourists outside the County

Increase in support for the cluster among local residents and public officials due to better understanding of the cluster's multiple benefits (e.g., quality of life amenities for residents and talent for other industry clusters, tourist spending that helps fund local jurisdictions, job creation)

Increase in supportive policies in local jurisdictions and alignment across government agencies (e.g., water resource planning for agriculture, permitting that enables value-added wine industry investment, ordinances that enable ag-tourism and local sales, and land use planning to promote value-added agriculture such as olive oil, you-pick farms, cheese, etc.)

INCREASING DIVERSITY AND CONNECTION OF SPECIALTIES

Increase in unique agricultural products, ag-tourism offerings, and other specialties

Increase in packaging of multiple specialties into unique SLO County experiences (e.g., connecting wine, food, entertainment, cultural, educational, environmental, recreational assets in different combinations)

Increase in events with local interest marketed outside the area, resulting in more people traveling to the County and more local residents venturing outside their immediate community to participate.

INCREASING CLUSTER VITALITY AND COMMUNITY CONTRIBUTIONS

Increase in occupancy rates, deplanements, entrance into state parks

Increase in visitor length of stay

Increase in average spending per visitor

Increase in sales of local products in local restaurants, retail outlets, schools, hospitals, etc.

Increase in tourism driven revenues for local jurisdictions



UNIQUELY SAN LUIS OBISPO COUNTY ACTION PLAN

PRIORITY STRATEGIES

Expand Countywide funding to promote the Uniquely SLO County cluster. This sustainable funding mechanism or arrangement could involve: consistent and expanded countywide tourism funding through annual contributions from community BIDs, greater participation of all lodging entities into BIDs or VCB, or other models.

Launch a unified, Countywide branding and marketing campaign that (1) inventories the full range of cluster specialties, (2) promotes the concept of the “SLO County Experience” by describing and connecting diverse assets, and (3) supports collaborative events (e.g., Savor) that showcase the County’s assets.

Launch a parallel community awareness campaign that educates five groups (general public, policymakers, other clusters, potential opponents, our own employees) about the value of the cluster to the County’s economic vitality and quality of life.

Promote local policy changes that support individual specialties and combinations of specialties, including (1) less restrictive rules on events and local sales to promote ag-tourism, and (2) more flexibility for value-added improvements including ag processing and winery development.

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Collaborative Countywide Funding Strategy

1. Create collaborative and sustainable funding structure under Visitors and Convention Bureau (VCB) umbrella, building on the Savor San Luis Obispo County model and the emerging BID co-op program
2. Develop broad base of initial funding commitments from government, business, labor, and other parties
3. Use initial funding commitments to launch unified countywide marketing campaign (see below)

Unified Countywide Marketing Campaign

1. Incorporate County brand into local marketing efforts/materials, working with BID Alliance, to begin to promote connections
2. Inventory/identify the full range of regional specialties, and share information widely, facilitating connections and packaging of specialties
3. Develop a “sustainable” Savor San Luis Obispo County model: from event to strategy of connecting and showcasing local specialties. Involve local marketing firms in development of an overall strategy
4. Launch first stage of campaign in 2011

IMPLEMENTATION ACTIONS

FIRST STEPS/EARLY WINS

Community Awareness Initiative

1. Summarize and package data on economic impacts of Savor San Luis Obispo County as a specific example of the multiple benefits of the cluster to the community
2. Build team to carry message about value of the cluster to all parts of the County, including the VCB, cluster businesses, labor, employers in other clusters, chambers, BIDs, etc.

Promote Local Policy Changes

1. Advocate for package of amendments to agricultural tourism ordinances
2. Identify other policies that could help promote and connect regional specialties (e.g., improved permitting process for value-added agricultural processing, funding or tax incentives to reward packaging of specialties, signage)



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